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Official Report of Debates (Hansard)

Thursday 3 December 1992

Journal des débats (Hansard)

Jeudi 3 décembre 1992

Standing committee on social development

Metropolitan Toronto
Reassessment Statute Law
Amendment Act, 1992

Comité permanent des affaires sociales

Loi de 1992 modifiant des lois
en ce qui concerne les nouvelles
évaluations de la communauté
urbaine de Toronto

Chair: Charles Beer
Clerk: Douglas Arnott

Président : Charles Beer
Greffier : Douglas Arnott

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LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON SOCIAL DEVELOPMENT

Thursday 3 December 1992

The committee met at 0940 in room 151.

METROPOLITAN TORONTO REASSESSMENT
STATUTE LAW AMENDMENT ACT, 1992
LOI DE 1992 MODIFIANT DES LOIS
EN CE QUI CONCERNE
LES NOUVELLES ÉVALUATIONS
DE LA COMMUNAUTÉ URBAINE DE TORONTO

Consideration of Bill 94, An Act to amend certain Acts to implement the interim reassessment plan of Metropolitan Toronto on a property class by property class basis and to permit all municipalities to provide for the pass through to tenants of tax decreases resulting from reassessment and to make incidental amendments related to financing in The Municipality of Metropolitan Toronto / Loi modifiant certaines lois afin de mettre en oeuvre le programme provisoire de nouvelles évaluations de la communauté urbaine de Toronto à partir de chaque catégorie de biens, de permettre à toutes les municipalités de prévoir que les locataires profitent des réductions d'impôt occasionnées par les nouvelles évaluations et d'apporter des modifications corrélatives reliées au financement dans la municipalité de la communauté urbaine de Toronto.

GEORGE MILBRANDT

The Chair (Mr Charles Beer): Good morning, ladies and gentlemen. We begin the meeting of the standing committee on social development dealing with Bill 94, the Metropolitan Toronto Reassessment Statute Law Amendment Act, 1992, and I would like to call Mr George Milbrandt, who is the first witness today. Mr Milbrandt, welcome to the committee. Take your seat and, when you're ready, please begin. We have 10 minutes.

Mr George Milbrandt: I'm George Milbrandt. I represent myself. I'm not representing a group, but I have been involved in the assessment reform situation for a number of years, starting in February 1987, through a ward committee in North Toronto and followed by the residents' liaison committee on assessment reform in the city. I'm presently a member of the assessment reform working group in the city, since February 1989. So I have some familiarity with the issues related to market value and the so-called market value reassessment and some alternative proposals that have been put forth.

I'll state right off that I am for real property tax reform and assessment roll updates. We sorely need that in the Metro area. I'm against the Metro reassessment proposal for a number of reasons. To me, one very important reason is that, to my knowledge, there has been no impact study, at least through the end of October. The city had a great deal of difficulty getting any information so that it could perform an impact study. They were able to do so with the 1984 data, but they have not, to my knowledge, been able to complete one with the 1988 data. So one reason is, no impact study.

It's too complicated to understand. It's even more complicated than the present assessment system. It's too costly to implement, spending a lot of time and energy and money to implement a system that's flawed. It will encourage court challenges to the assessment, to the exemptions and to different treatment of different groups. All the energy that's focused on this temporary plan delays real reform. Those are some of the reasons I'm against the Metro reassessment proposal and against market value in general.

Again, it's open to costly court challenges and too volatile in an urban area like Toronto. That's one of the reasons the assessment rolls were frozen, if that's the correct term, at the 1940 values, because the people at the time of the incorporation of Metro felt that was the most stable period we had. A market value is much too volatile for an area like this. There's a big difference if you look at the 1984 information and compare it to the 1988. Even at a cursory view, you'll notice there are big shifts in the assessments.

In general, market value discourages property improvement, it's not a reflection of ability to pay, and to use a term that I recently noted in some articles, it discourages "dense urban areas." It leads to what some would refer to as urban core rot; ie, things that have been experienced by cities, urban areas, in the US. The urban areas are taxed and taxed and taxed, and eventually you end up with the people who are most able to pay and the people who are least able to pay. You have very little in between and you lose a lot of the vibrancy of a city.

Real property tax reform and assessment roll update to me would include something like the unit assessment system that's been proposed jointly by North York and the city of Toronto that deals with a combination of building area and land area. These are fixed. They're not subject to question. You don't get the court challenges. You don't get people not understanding. To use the old system, they have so many square feet of building, so many square feet of land, and some ratio could be determined between land and building, and it could vary, depending upon the class, whether it's residential, apartment, commercial or industrial, but it's affixed.

Once it's determined, once the ratio is figured out, you have an assessment unit, if you will, that could then be used to base your assessment on. It's something that is relatively stable. It would serve the same purpose as freezing the assessments at the 1940 level or the 1953 level or whatever level you'd choose to freeze them at, and the changes to this system would depend on additions to the property; ie, you add another piece of property, an adjoining piece to your property, you increase or decrease the area of the building, and this would then adjust the assessment. Again, it's very straightforward and it doesn't have

to be redone every four years. It doesn't require a huge bureaucracy to administer it.

If the unit system is, for example, unacceptable in its pure form for one reason or another, there's also a proposal that's called the unit-enhanced system where you bring in a small amount of market assessment, but still it is done in such a way that it's a relatively stable system.

Some of the reasons why a system like the unit or unit-enhanced would be preferable is, you control the volatility. You don't have huge swings up and down over a period of time in the assessment values from one location to another within an urban area. You limit the court challenges, to a very large extent. Because the assessments are so clear-cut, there's very little to challenge. Building additions or deletions and land size additions or deletions are easily adjusted.

You have a gradual phase-in period. You don't have the situation we'll be faced with in Metro if this goes ahead; that is, businesses closing and people unable to stay in the city. Once they retire, they will not be able to afford taxes this system would create. You'd have a gradual phase-in period for something like a unit or a unit-enhanced system. Once you get into the system, it's a very stable system and it's long-lasting. The phase-in could be five or 10 years, and there are no surprises at the end of the five or 10 years. With the present system, there's a surprise if you sell. There's a surprise in five years in any case when full assessment comes into the picture, and within a family, if parents decide to sell their home to one of their children, they're hit with the full assessment. Again, you're destabilizing a situation more.

The Chair: Mr Milbrandt, if I could just interrupt, I know there are a couple of people who did want to ask you a question, and I'm just afraid with the time frame—

Mr Milbrandt: I have three more points and then I'll finish, and then the questions.

The Chair: Okay. Thank you.

Mr Milbrandt: Easy to administer would be another reason for a different kind of system, easy to update, and it better reflects the ability to pay. There are just a couple of notes here, points I would want to make.

To me, real reform also means that you should separate things like police, roads, sewers, lighting, sidewalk, trash pickup and disposal and so forth, from social services—right now that's all part of the tax system—and also from education.

0950

Education takes well over 50% of the property tax bill, and there are some suggestions. I made two copresentations to the select committee on education in 1988 and 1989 about how the education system could be separated from the property tax, and there are two particular recommendations in the Macdonald report of December 1985, recommendations 23 and 24 that are particularly pertinent, although the Macdonald report itself offers a very good way of separating education from property tax, which would further help deal with what I think will be a devastating blow to the Metro area, and especially the city of Toronto if we go ahead with this proposed Metro reassessment plan.

The Chair: I have Mr Wiseman and Ms Poole.

Mr Jim Wiseman (Durham West): I come from outside—

The Chair: If you could just be brief.

Mr Wiseman: Oh, I'm quick. You just used up more time.

I come from outside Metro and what you're trying to do is to convince me that Alan Tonks and Joyce Trimmer and all the other mayors and councillors from the Metropolitan Toronto area are incompetent, uncaring and do not have any idea about what they are doing to Toronto.

Mr Milbrandt: Those are your words, but I would certainly say the system they have proposed is not a good system. It's flawed. They didn't do an impact study. If you'll excuse the expression—I'll use some words of my own—they want to stick it to the city. Combined with the commercial concentration tax, the city already, with 29% of the population, pays 41% plus of the Metro tax. It will go up to close to 47%.

In terms of school taxes, the city of Toronto gives some $900 million to the school tax; $600 million comes back to the city. So the city is paying more than its fair share.

Mr Wiseman: My question wasn't about the statistics, because we've heard them. My question very simply is, why do they want to stick it to Toronto? Give me something that says I should use my legislative position here to override the duly elected representatives of an area like Scarborough.

Mr Milbrandt: I'll give you an example on possibly why. The city itself is a very economical place to live in terms of services and what have you. I live in a home on a 26-foot frontage, a 95-foot lot, a very small lot. The lots in my street average 25- to 35-foot frontage. They're very small.

It's very economical to carry out city services. I pay close to $3,400 in taxes already, which I think is more than enough for a 26-foot frontage. There are people I know in the suburban areas who have 50, 60, 70-foot frontages. If they pay what I'm paying, it would be unusual. I don't think it's reasonable that the city should further support urban sprawl. That's literally what it amounts to.

The Chair: We'll have to move to Ms Poole.

Ms Dianne Poole (Eglinton): George, thank you very much for your presentation today. You've certainly been one of the leaders in our area on this issue and are very knowledgeable.

One of the myths that's been perpetrated is that Metro looked at the unit assessment plan proposed—

Mr Milbrandt: They did not.

Ms Poole: —by North York and the city of Toronto and that they did review it and they came to the conclusion it wasn't workable. Would you elaborate on your response right now, which is that they didn't and, secondly, on the lack of impact studies?

Mr Milbrandt: To my knowledge, they really didn't do any study. The information I get, talking to the finance people in the city, plus various hearings I've been at, is that at best they gave a cursory look at a variety of other systems but never really looked at them thoroughly; nor did

they do an impact study with the unit assessment system or any alternative that I know of.

In terms of the impact study for the present proposal, I am not aware of an impact study. To me, it's extremely important that you should know how the tax structure is going to affect the areas involved. I do know that the city of Toronto did an impact study based on 1984 when it had the information available, so it would be able to tell you exactly how it was going to affect various properties in the city. They weren't given the data for 1988, they weren't able to do an impact study and, to my knowledge, they weren't able to get an impact study from Metro because Metro didn't do an impact study. They're just hoping this will work out.

The Chair: I'm awfully sorry about our time constraints. I'm afraid I'm going to have to close it off at that and thank you very much.

Mr Milbrandt: You're welcome. Could I ask a question? I heard the other day that the present government has already approved this system. I'm wondering why we're having the hearings if that's the case.

The Chair: This committee is meeting after second reading. The committee reviews the bill and then reports back to the House, where there is then another discussion and another vote on third reading. There are still several procedures. We are handling it in the normal procedure.

HUGH GREEN

The Chair: Mr Green is the next witness. I'll state at the outset that if you would like to have some questions, leave some time. There is 10 minutes. If you wish to use all that time for your presentation, that is fine as well, but we are tight and I will have to be firm with the time. I apologize for that.

Mr Hugh Green: That's understandable. My name is Hugh Green. I have a company called Johnston and Green Real Estate Ltd at 571 Logan Avenue in Toronto. I've been a broker for approximately 20 years. I come from Bob Rae's old district, and it's now Marilyn Churley's, who is totally against this whole market value system.

Mr David Turnbull (York Mills): That's not the way she voted.

The Chair: Order, please. The witness has the floor.

Mr Green: I have spoken to Marilyn personally on the telephone—as a matter of fact, during the last two weeks—and she has told me personally that she's totally against this whole market value assessment.

First, I'd like to thank the committee for allowing me to come here in the first place. I'd like to remind all the NDP members that they have opposed market value assessment from the very beginning. Even Bob Rae, who lived on Withrow Avenue, approximately one block from my office, has always been against this system. I hope the members don't forget this. It's just that I don't want to see another broken promise by the NDP government, as with other things it has mentioned in the past where it hasn't kept its word to the people.

Market value assessment is suicide for Toronto. You can't destroy the core of anything and expect it to live. It just can't happen. This tax is totally anti-business and anti-employment. It's not a fair tax. If you believe in a fair tax system, a home in Scarborough that's valued at $300,000 and a home in Toronto that's valued at $300,000 should be based on the same tax system. You can't have a system where in Scarborough they're going to pay $2,500 a year in tax and Toronto's going to be punished now and we're going to pay $5,000 a year in tax. What we're doing is flipping the coin now, because people in Scarborough say, "We've been taken to the cleaners by Toronto."

It wasn't the people in Toronto; it was the politicians of Scarborough with their mill rate. We've got to look at these things. It's the mill rate that has been increasing taxes. It's all been due to poor management of money in the city and all the other areas.

I don't understand why market value assessment was taken for 1988, which had the highest real estate prices the city of Toronto has ever seen. Also, one of their arguments is that market value assessment is in most areas in Ontario. But most areas never picked 1988; they picked 1974 or 1978. Why did they pick 1988, the highest prices in Toronto? It's beyond my imagination.

1000

Many homes have been appraised wrong. You can't go into an area and say, "All the homes in this area are worth $200,000." For example, on my own street most homes have been appraised within $20. I'm a broker, and I can't appraise a house within $20. It's literally impossible. All homes are not equal. Some homes on my street are worth $500,000 and some homes are worth $250,000, so you can't say, "They're all within $20." Somebody has done a poor job of appraising the properties in Toronto. They just went to the real estate board and took the average figure. You can't walk in and say, "This is the average figure, so everybody is going to pay according to this." It just doesn't work that way. I'd be out of work if I appraised a house like that.

Even in my own neighbourhood, Howard Moscoe—always been on television, screaming, "We're going to make the rich pay." Well, let me tell you about the rich going to pay. We have some $1-million infill houses in our neighbourhood. Their taxes are going down by an average of $2,500 to $4,000. That's on average. I did the study; I went and got the figures; I couldn't believe it. "The rich are going to pay."

All the small bungalows in the area are now paying approximately $3,300 a year in taxes. The new market value assessment is to raise these taxes from $3,300 to anywhere between $4,300 and $5,000 for the small bungalows, where it's all seniors and people on fixed income. Where are they going to get the money? But Howard says, "Oh, we're going to get the rich." We sure are: All their taxes are going down.

And there's no doubt in my mind that taxes will be going up on average, with the mill rate and what the city is going to tell us, about an average of 10% a year. To take an example, by 1998 we are going to exceed market value assessment, on a average of 10%, on my own property; I'm going to be paying $5,500 a year in taxes by 1998. According to market value assessment, my taxes are only

going to go up to about $4,300. Where do they get these figures from? We're always going to have tax increases because of poor management.

Again, Toronto: Its population is about 29%, I believe, but we're paying over 40% of the bills. It doesn't take a rocket scientist to figure out we're already paying our share. We're paying more than our share in Toronto, yet Chairman Tonks thinks we're not paying enough. I don't understand where he's coming from.

I would like to know from members if any of the members here have walked Danforth Avenue recently. Have you walked Queen Street? Have you walked the Beaches? Have you walked Yonge Street? Do people realize what's going on?

I brought my mini-van today and I'm willing to take out any of the members here and show you what's going on. The stores are closing. We are in the middle of a recession. Now they want to kill it. I don't know what's wrong with Mr Tonks. I don't know what he is up to. He already bought a piece of land—for an example, I used to rent space down at Front and Parliament. They destroyed the whole neighbourhood, they destroyed the tax base—there used to be a big commercial tax base down there—they gave us 30 days to get out. They buy a piece of land that's polluted—

Mr Chris Stockwell (Etobicoke West): That's the city of Toronto, though.

Mr Green: But he was still involved in it.

Mr Stockwell: No, he wasn't.

Mr Green: Okay. I'm sorry. I thought he was involved in it.

We're going to have major problems in Toronto if market value is passed. In the downtown core, the builders have already stopped building; the high-rise buildings have come to a stop. They're not going to continue building, because there's deep trouble in the core.

If the market value assessment tax is passed, it could easily kill the real estate market as we know it today. When you destroy the real estate market, not only do you destroy real estate, you destroy movers, plumbers, electricians, who need the work, and everybody else who is involved in the real estate market. The real estate market is already in trouble, and why we want to put the real estate market in more trouble is beyond my imagination. We've got to realize that we're in the middle of a recession. It is not over yet.

Two things I know for sure: If market value assessment doesn't go through, there won't be one single job lost and there won't be one business that will go out of business because of it. If it is implemented, one thing I know for sure: People will lose their jobs and businesses will go out of business. That is guaranteed.

Chairman Tonks has come up with market value assessment. The first plan he came up with wasn't a good idea, but he needed to get votes from the rest of the committee to have it passed. He didn't come up with an idea that was good for the people or good for anybody. He was just trying to put a package through that everybody on the committee would vote for. It didn't make any sense.

If you're going to go on a plane and you ask the mechanic, "Are the engines working?" and he says, "Well, we think they're working pretty good," would you go on the plane, if you're not sure whether it's going to work or not? He's asking you to pass something that even he himself is not sure how it's going to work. He's admitted he's not sure how it's going to work.

The Chair: Mr Green, could I ask you to conclude your remarks. I'm afraid we're over the 10 minutes.

Mr Green: There's just a few other things. I'd like to know why it is that we can't have a study. One of the questions we have to ask Chairman Tonks is, why is he afraid of a study? What is he afraid of? These are very important questions. What source do I have if he puts me out of business? Who do I come to?

One more thing: The day after this was approved by Metro council, a small business at 1010 Logan Avenue, called Logan Variety, closed its doors after 40 years in business. He said, "There's no point in continuing." This is a fact. How many more other businesses have gone out of business in the last two weeks because of market value assessment, knowing that politicians are not going to listen, they're just going to go ahead and pass it because somebody is telling you it's a good idea, without any studies being done?

Thank you very much for your time.

The Chair: Thank you very much, Mr Green. I'm sorry we are out of time.

CANADIAN FEDERATION OF INDEPENDENT BUSINESS

The Chair: Would the representatives of the Canadian Federation of Independent Business please come forward. Be good enough to introduce yourselves for Hansard and please begin.

Ms Linda Ciglen: My name is Linda Ciglen. I'm the director of provincial affairs for Ontario of the Canadian Federation of Independent Business. With me is my colleague Ted Mallett, one of our senior economists. I'm going to turn it over to Ted.

Mr Ted Mallett: The CFIB represents 83,000 small and medium-sized businesses across the country. We have 40,000 members in Ontario and about 4,500 members in Metro Toronto.

We've been involved in this issue for the past three and half years or so, when this plan first reared its ugly head, and from the word go we've seen it as a cowardly piece of reform in its timing, its design and in its presentation. The push came more from political considerations than from the need for fair and effective property tax reform.

In its original form, this reassessment plan was designed to soak the commercial business community for $200 million a year, an additional $200 million a year to subsidize the residential community. When we complained about this financial hijacking, the word from Metro and the Ontario government of the day was, "The business sector has plenty of money and, if not, they can simply raise their prices."

It took the most serious recession in living memory to convince many politicians that the small business sector is not made of gold; it never has been made of gold. But we are still, despite the changes made to this plan so far, haunted with an overall system that's built on the basis of, "Let someone else pay," and that someone else is the small business community.

1010

The problem is not unique to Toronto. Businesses all across the province have to grapple with the uncertainty of MVA and the high cost of property taxes in general. The lack of business competitiveness is a serious problem for this economy. Most significantly, it's the preponderance of profit-insensitive taxes like the property tax, the employer health tax, workers' compensation premiums and unemployment insurance. These taxes hit new firms the hardest and it's been new firms that have created the jobs in the economy.

When you compare, if you refer to figure 1 in our brief, the small business property tax load in Toronto with that of larger local businesses and of small and large businesses across the border, you'll see just how serious the problem is. The situation is not that much different in other municipalities across the province.

MVA is one of these concepts that appears to be just fine in theory, but falls down in practice. The reason it doesn't work in practice is because it is so arbitrary and subjective. If you ask a dozen different experts on a single piece of property, you'll get a dozen different values on that property. Theoreticians say these variations will work themselves out on average. The trouble is that individual property owners are not averages. Every property has a random chance of being overassessed or underassessed, and that doesn't give anybody comfort in the belief that the tax system is fair and treating him fairly.

Multiply that by regular reassessments every four years and you get a near constant state of uncertainty and bitterness. It's certainly not sensible economic strategy to rely on such an unstable system for such large volumes of money. Yet that's what Metro and the province appear to want to do.

By giving the green light to this plan, you'd be saying that any form of MVA is better than the status quo. But the status quo, despite all its warts, still has some semblance of stability, and stability is a virtue a tax system should never disregard. On the other hand, MVA means regular reassessments, reassessments sometimes mean radical changes in tax levels, radical changes in taxes mean business risk, business risk means constrained investment and constrained investment means fewer jobs.

The proponents of this assessment plan disregard stability as important. Instead, they leap to the notion of equity to justify their actions. Equity is a noble cause, but let's take a closer look at how they define it and we'll find the definition is quite one-sided. Metro's plan opts for a within-class section 63 reassessment. If they were truly concerned about equity, then they would have also reassessed across property classes. But currently we're now faced with situations where the average commercial business pays about three times the rate of tax as a similarly valued residential property. It's little wonder the small business sector complains about property taxes in Toronto and the rest of Ontario.

This differential, which is mentioned in figure 2, is not based on any meaningful notion of what businesses should pay versus home owners. It doesn't reflect use of services. It doesn't reflect ability to pay. The differential is completely arbitrary. Metro wants to lock in this differential for property classes as a whole and certainly make it uncertain for property owners through regular reassessments. It would be difficult to design a worse property tax system in Ontario, yet that's what we're facing.

Our recommendation is that this government should halt the progress on Metro Toronto's reassessment plan, not because of Metro government's handling of the issue but because there must first be work done at the provincial government level to improve the property tax system across the province.

First, you should work to stabilize the assessment methodology within the Ministry of Revenue. If property has not undergone significant changes from one assessment time frame to another, there's no reason why I should have to face significant tax changes. Situations where small business tenants of a large mall complex are hit with 100% tax increases while large tenants in the same mall are given tax decreases should not be allowed to occur.

Second, you should require all municipal reassessments in Ontario to be phased in gradually so that tax shocks are softened. The phasing-in approach should apply equally to both increases and decreases so that it puts an end to the type of political shenanigans we see in many municipalities across the province. In addition, one class of property should not have to subsidize another in the course of phasing in new assessment bases.

Third, you should ban the practice of applying the full impact of assessment changes upon the sale of a property. It creates significant inequities within neighbourhoods and can seriously lower property values for those who have worked long and hard for their nest egg.

Finally, you should speed up the critical review of the property tax system in Ontario and how it has become a serious millstone around the necks of the job-creating sector. Reviewing the use of section 63 as a reassessment tool should be included, as well as a broader analysis of the costs and the use of local government services by all who use them.

Only after these issues have been dealt with should the province allow municipalities to undergo wholesale reforms of their property tax system, because the impacts of such changes are far too great to be left in the hands of narrow interests.

The Chair: Thank you very much for your presentation. We'll begin the questioning with Mr Turnbull.

Mr Turnbull: Mr Mallett, thank you very much. Wouldn't you say it's a fundamentally flawed system that bases taxes, both the property tax and the business tax component, for a tenant particularly, on the value of a property?

Mr Mallett: It bears no relation to the ability to pay. It's the rates applied to business tax. Commercial retailers,

for example, are assessed 30% above their property tax. If you're a travel agent, I believe it's 50%. These differentials are not based on any meaningful notion of tax fairness. They're simply arbitrary, and I believe they should be looked at seriously.

Mr Turnbull: For example, for the manufacturing operation, it would make a lot of sense to move away from an area where property values are high, simply because it drives the taxes, to a low property value area.

Mr Mallett: That's right.

Mr Turnbull: I see by your table that Buffalo compares very favourably with Toronto in all taxes.

Mr Mallett: That's right.

Mr Turnbull: My next question is about the cost of the tax assessment system. Do you not think the cost of constantly reassessing, as compared with a stable system which doesn't need constant reassessment, is money which would be better spent on the economy or reductions in taxes?

Mr Mallett: I believe the province spends about $100 million a year on assessing properties in Ontario.

Mr Turnbull: Actually, in addition to that $100 million, by the time you factor in all the costs of appeals, it's probably something like $200 million.

Mr Mallett: I can think of far better uses for that money to be put to, especially at this time.

Mr Turnbull: Would not the absolute prime objective be to have fundamental tax reform?

Mr Mallett: We're advocating fundamental reform, and we believe it should be looked at from the ground up by the province and not left in the hands of individual municipalities, which will choose different aspects of reform depending on their particular situation.

Ms Ciglen: If I could just add to that, the need for tax reform goes even beyond property tax reform, and this kind of ad hoc tinkering with the tax system that pretends that one can do that in isolation and that there is more than one taxpayer out there, when there really is only one taxpayer and all these different taxes are coming out of the same pocket, is one of the reasons we're in the mess we're in right now. There needs to be a fundamental change in attitude on the part of all three levels of government in the taxing authorities, and a realization that there really is only one taxpayer.

Mr Turnbull: I have one particular problem.

The Chair: Just one final—

Mr Turnbull: Yes. In the respect that the NDP has staffed its benches with people from the suburbs or out of town—they have the majority of members in the city of Toronto, but there isn't one city of Toronto member sitting on this committee—we have a problem, inasmuch as the constituents of the people who come from the suburbs are going to see reductions in taxes, and understandably they may be fighting for the position that they want to get those reductions. We saw the government, to a man, vote for this platform of accepting it. At the same time, they had fought on an election platform of being against market value assessment.

Interjection: To a person.

Ms Poole: Person; every darned one of them.

Ms Anne Swarbrick (Scarborough West): Thank you, Dianne.

Mr Turnbull: Here's the problem: How do we get them to understand that it isn't a question of us fighting for our people, that we want fundamental reform because it's fair?

Mr Mallett: We're looking at it from the long-term point of view, because five or 10 years from now it may be a completely different story, where we may find the suburban areas faced with large tax increases compared to the inner cities and we're going to have people switching sides. Our position will be the same. We want stability in the system. We want a good definition of fairness, and that is that local interests should not be allowed to drive the issue; it should be as widespread an issue of fairness as possible.

1020

Ms Poole: Thank you very much for your presentation. I think you really outlined in a very eloquent way the impact on small business.

One technical point before I get to my questions: You've mentioned section 63 in your brief, and I, and probably every other person in the province who has talked about assessment, have been talking about section 63. I just learned last night that the numbering has been changed under the Revised Statutes of Ontario and it's now section 58.

Mr Mallett: Deflation.

Ms Poole: The confusing part is that the new section 63 is actually full market value where there are no classes, so the old section 63, which provided classes, is now—it's very confusing, but somebody out there I'm sure, Mr Chair, will write us and ask what we're talking about, because it doesn't match the numbers.

The Chair: If not the Chair himself.

Mr Mallett: A rose by any other name.

Ms Poole: Is still bad.

One question I wanted to ask you: On the first page of your brief you outline the different taxes affecting small business, and one of them is business tax. For members of the committee who aren't as familiar, the property taxes and ownership tax and then the business tax is an occupancy tax, although in the first case the ownership tax ends up getting passed on to the tenant in many cases anyway.

The business taxes: Under this plan there is no provision to cap business taxes if there is a change in tenancy. We're not talking here about where one small business sells to another small business and it's a continuation of the same business. We're talking about if a tenant in a building moves out and a new tenant moves in, the business taxes will not be capped. I think this is something many businesses are not aware of. They will have the full impact of market value on their business taxes.

Mr Mallett: No, I'm sure they're certainly not aware of that situation. We'll run into the same situation where at

present, in the residential community, if you sell your property the full impact of the assessment will take effect. You will find neighbouring businesses with wildly different rates of tax, even though they are perhaps in very similar areas dealing with the same kinds of customers. This is not a form of fairness; this is actually a big step in the wrong direction.

Ms Poole: The second point I wanted to talk about is that you addressed what will happen to residential properties at the point of sale. I am going to propose an amendment, which I hope the government will accept but which I have no guarantee it will accept, that at the point of sale, residents will still be protected by the cap, and secondly, that when there is a change of occupancy in the businesses, they too will be protected by the cap, insomuch as 25% is a protection.

The bottom line, I have to tell you, is that although I'm proposing this amendment, there is no guarantee it will pass and it is up to the members of the New Democratic Party, the members of the government, to make that determination. In the Legislature on second reading, 60 New Democrats voted on second reading and all voted in favour of this particular proposal.

Mr Mallett: Well, this amendment would not cost anybody any money. It would stabilize the system.

Mr Wiseman: Can you get the voting records of everybody else?

Ms Poole: I certainly can.

The Chair: For the record, will you allow the witness to respond. We have a time problem and there is another question or so. Please allow the witness to respond.

Mr Mallett: As I said, I believe this would not be a large, and certainly not an onerous, suggestion to make to Metro. It improves fairness in the system, and we'd certainly support that.

Ms Poole: One of the things members of the committee may not be aware of is that in the interim plan sent by Metro to the province of Ontario, they estimated it would be $6 million they would gain from putting in this point-of-sale, full market value provision—$6 million in a budget of $4.4 billion. I say to members of the government, if Metro tells you that this plan will fail if you don't accept that amendment, then it's nuts. Six million dollars is a pittance out of $4.4 billion, and it does not jeopardize Metro's plan. Thank you for your presentation.

Ms Swarbrick: One thing said by my colleague from Eglinton had triggered in me that I thought it was wrong, so I was just checking. I'd like to correct that. The instructions from the Metro chairman in fact clarify that when one business moves out of a building and a new business moves in, the protection would remain in force; that is, the new business would be treated as if it had been there since reassessment. I just wanted to clarify that, because I would have grave concern also if that had been correct.

Ms Poole: Mr Chairman, a point of order.

Ms Swarbrick: Excuse me, it's not a point of order; it's just a correction.

The Chair: I have to hear the point of order.

Ms Poole: But you were correcting my record, so I did want to say—

Ms Swarbrick: There are all kinds of things you've said that I haven't corrected.

Ms Poole: —that senior officials in the Ministry of Revenue say very different things about that, and they say this legislation does not provide it.

The Chair: We have points of opinion here. Perhaps we'll question our witnesses, and we'll debate in the House.

Ms Swarbrick: The briefing note I'm referring to of course would have been prepared with consultation by the Ministry of Revenue.

You've raised a number of very good points. In terms of my own representation on this committee, I want to clarify that I come from a riding, Scarborough West, where almost as many people will end up paying more as paying less, and I'm one of the ones who will be paying more. If we had full MVA, my taxes would go up by 25%, so I want that clarified.

In terms of the presentation you've made, on number 1 of your recommendations, you hopefully have learned by now that no small business tenants in a mall complex, as you referred to, would be hit by 100% tax increases, because the plan that Metro has proposed is not full MVA in terms of anybody existing, at least. I appreciate the flaws in terms of resale properties and the public lands, but—

Mr Mallett: The recommendation was directed at any municipality across the province. We've been getting calls from Cambridge, from Brantford, from Ottawa, in situations where this kind of capping arrangement was not put in place but they've seen these kinds of changes because of a large-scale reassessment.

Ms Swarbrick: I see. Thank you for clarifying that.

I share and our government shares a lot of the concerns you've raised, and we very much want to look at how we get a fair system in place for the future. The problem is, given Metro's proposal to us now, can we as the province immediately now try to correct the decades of injustices under the property tax system as it has existed under past governments? We certainly are very serious in wanting to move towards correcting them.

In terms of some of the things we're looking at, which include things like the education financing report that will come to cabinet in the new year, the property tax working group report from the Fair Tax Commission due shortly, and a number of the other issues like the disentanglement negotiations between the province and the municipalities, I just wanted to ask if the Canadian Federation of Independent Business is saying that you would support moves like moving the financing of the education portion of what's now under the property tax bill to be financed through the income tax system, where it would be more based on people's ability to pay.

Ms Ciglen: We'd really have to poll our members on that specific question. I don't know how well you know the way our organization works. Ted and I don't make the policy; we always ask our members.

But certainly the way the education system is financed now is of grave concern to our members, mostly because of the lack of accountability. Being hit themselves by fixed taxes—property taxes, payroll taxes—they are particularly sensitive to this ability-to-pay issue. They feel their ability to pay is not what's being taken into consideration in the amount of taxes they pay.

So we couldn't give you a specific answer to that proposal without putting it to the membership but, generally speaking, they do feel their ability to pay tends to be disregarded, because so much of their tax burden comes from fixed profit-insensitive, revenue-insensitive taxes. I don't know if that's a help to you. We couldn't be more specific without polling the membership directly.

Mr Mallett: In other provinces, we are on record as supporting initiatives to disentangle provincial and municipal responsibilities so that people services are paid through the income tax system and property services are paid through the property tax system.

Ms Swarbrick: I just raised that because I think in terms of our trying to look at moving towards greater fairness for the next assessment period, those are issues we need to start floating for public debate now, to be building that foundation for change.

Ms Ciglen: It's an important issue, and as I said earlier, it's so difficult to make any changes to the tax system that are fair without looking at taking on the enormous task of looking at the entire tax system at all three levels of tax in government. It's a huge task, but these little piecemeal ad hoc changes often just increase the unfairness and the burden.

The Chair: Thank you very much for your presentation. The prospect of looking at the entire tax system does fill one with a certain amount of trepidation, but undoubtedly that is coming. We thank you very much for your presentation and being with us this morning.

1030

CANADIAN RAILWAY LABOUR ASSOCIATION, ONTARIO LEGISLATIVE COMMITTEE

The Chair: I'd like to call the representatives of the Ontario legislative committee, Canadian Railway Labour Association, if they would come forward. Gentlemen, if you would be good enough to introduce yourselves, please proceed when you're ready. You have 20 minutes for your presentation; if you wish to have some questions, keep that in mind.

Mr Dennis Schweitzer: My name is Dennis Schweitzer. I'm the chair of the Ontario legislative committee. With me are James Houston, vice-chair; Pat Tiller, our secretary-treasurer; and Ron Bennett, who is the national legislative director for United Transportation Union—Canada.

I would say at the outset that we view this issue as one of many that have national implications for our railway workers in Canada, and that's why Mr Bennett has accompanied us here. Individually, I represent United Transportation Union—Canada members train and yard service personnel in Ontario; Mr Houston represents locomotive engineers, and he is from the Brotherhood of Locomotive Engineers; Pat Tiller comes from the Brotherhood of Maintenance of Way Employees, the railway employees who build and maintain the track infrastructure.

Together we represent 15,000 workers and their families in the province of Ontario. We've been before various legislative committees on numerous occasions and on a wide variety of topics. Normally and usually we've always included our very real concerns about taxes, particularly fuel and property taxes as they are applied to Canadian railways.

In our 1992 submission to the government of Ontario, we noted that fuel and property taxes are driving the railways to operate below the Canadian border. CN Rail, as you will probably hear later today, through ownership and various partnerships in the United States, has the ability to operate west coast to east coast below the 48th parallel. When the new CN Rail tunnel is completed at Sarnia, we would ask—possibly rhetorically; hopefully it will never happen—will there be a need for the northern route above the Great Lakes?

CP Rail, through its ownership of Soo Line, Delaware and Hudson Railway and other partnerships in the United States, can also operate below the border. There is no need in Canada to operate trains west to east for either railway, when they can operate south of the border in a much less taxed atmosphere.

As the members of this committee well know, many towns in north-northwestern Ontario are railway towns. If there is no railway, there's no tax base. We have seen a very clear indication of things to come from CP Rail. The recent announcement of termination of service east of Sherbrooke, Quebec, by CP Rail is a sign of that railway's financial plight.

We've asked, through our various committees throughout Canada, that the railways, our employers, be treated fairly, that they be regulated fairly and that they be taxed fairly; in other words, that they be made to pay their fair share but not more than their fair share.

The four of us at this table represent a number of years of service to CN Rail, CP Rail and Via Rail. We've seen and lived the decline of railway predominance of the transportation scene. We've heard the term "fat cats" used of the transportation business. That may well have been the case 40 or even 30 years ago, but it's not the situation today. We in the labour movement know the price that has been paid by the workers to keep our railways competitive with other transportation modes and indeed with other railways in the United States.

Our unions have signed innovative working agreements allowing CN and CP to remove cabooses, to operate with fewer crew members, to allow CN and CP to lower their operating costs to be competitive. We've done all those things. Don't you think we've paid the price? We believe we have.

In 1952, CP Rail had 83,000 employees in Canada. In 1988, that same railway had 24,000 employees. The figures for CN Rail are even worse. In 1965, when I started working for CN Rail, there were approximately 120,000 employees; today there are fewer than 36,000. In three to

five years, according to CN in its recent announcement, there will be 10,000 fewer employees than there are today. Now Bill 94 threatens to hasten that process at CN by adding $30 million to its yearly tax bill. Bill 94 will allow Metropolitan Toronto to grab an additional $13 million from CP Rail.

The message we have for the standing committee is clear: We as workers can't give any more. The province must realize that we've bled enough. The government has to realize that CN and CP cannot be treated differently from other property taxpayers in Metro Toronto.

Prior to 1990, railway rights of way were categorized as separate property classes, probably because they were unserviced land, relatively worthless except for the purpose for which they were intended: to run trains. That classification system at least ensured that rights of way paid increased taxes in the same proportion as other property classes. We've been told that such a distinction or tax category for rights of way has been eliminated. Add that to the fact that adjoining properties are somewhat protected by the capping formula. The railways, CN, CP and GO Transit, are subject to the full force of immediately applied market value assessment if this bill passes.

We've been told that Metro Chairman Alan Tonks came before the standing committee and suggested that there would not be a tax shift from one property tax group to another. Our committee believes that $40 million in total represents a significant shift in tax burden to the railways and a substantial shift between tax groups. This burden, we believe, will create an insurmountable obstacle to the railway's ability to compete with all other modes of transportation in this province.

At the beginning of this brief, we spoke about the effect of fuel taxes on railways. What of the effect of an increase in property tax of 220% or more, particularly when the cost of doing business, taxwise at least, is already 40% to 50% lower in the United States for these same railways?

What of the truck situation? Truckers don't have to maintain their own roads; truckers don't pay taxes in the same way railways are expected to. Effectively, when taxes are increased for railways, we're assisting the government to take money to build and maintain better roads so that our truck competitors can better or more effectively take our jobs and our business away from our employers.

Ladies and gentlemen, I, as do my counterparts at this table, represent railway workers in most parts of the province, and we're very much afraid that this bill, and with it Metro's ability to increase property taxes for the railways, will be responsible in great measure for the further undermining of our railways, to the point where the next announcement from one of them might be to the effect that a major Canadian railway has ceased to operate in Ontario or in Canada.

We've been here for the last three presentations and I picked up on a couple of the comments. One of the members on this side of the table suggested that it would seem that Metro is either sticking it to the city or that the city was being stuck by this Metro proposal. We would ask why the railways are being centred out. Our employers can't afford this.

We have stopped short of making recommendations. We believe CN and CP have made recommendations that are in keeping with what we would propose if we were recommending to the committee.

I suggest one other area of great concern to me as a New Democratic Party member: It's my understanding that in recent conventions the party debated market value assessment and/or reassessment, and I'm concerned that we would put a bill into effect now, before the results of the Fair Tax Commission are known, before the recommendations are made. To allow this situation to exist and to carry on at this time seems like we're playing with some real fire. We cannot stress enough to this side of the House that our jobs, our people's jobs, are on the line. We talked to some of the members the other night and we talked about 6,000 jobs at CP Rail in Ontario. That is a lot of jobs and we're very concerned.

1040

The Chair: Thank you very much for your submission and comments. We'll move to questions.

Ms Poole: Thank you very much for your presentation today. It really reinforced what we've heard so far from CP and Marathon. I believe CN is coming this afternoon, and also CN Real Estate. The message is becoming very clear.

The government's response to this is that this is Metro's plan. In fact, a direct quote from the minister is, "This is not our legislation; it's Metro legislation," which concerns me greatly, because the last I knew Metro council could not pass legislation in the Ontario Legislature. The government's answer is that it did put in a provision that Metro council could reconsider vacant lands and railway rights of way after the province approves this plan.

Given the fact that $48 million in taxes is estimated to be shifted to this other classification, in which you are a major player, and given that this is a fairly substantial total in the overall picture, do you place any reliance on Metro council revisiting this situation, exempting you from its plan and giving you the protective cap?

Mr Schweitzer: Personally, I don't. I reviewed the exchanges between Mr Turnbull, yourself and Mr Tonks, and obviously Metro's got a problem. They need to get the money from somewhere, and the easiest place to get it is from those who can least afford to defend themselves. I believe that if Mr Tonks got the straight goods from CN and CP, he would look to other alternatives.

What we're afraid of is that CP Rail can't afford to wait. They have to answer to their stockholders, and if they're assessed with this immediate grab of money, they're going to say something very drastic. CN Rail is already in dire financial straits and I don't know what it can do or what it can say. I know they can't go running to the feds for more money, because there is no more money. I mean, we heard about $8 billion in cuts last night. I don't place any faith in Metro's willingness to make changes for the railways. I believe it's up to you people.

Ms Poole: Your only hope, then, is if the government listens to you right now, puts a protective measure

in and exempts the railway lands from that full market value provision.

Mr Schweitzer: Exactly. That's our position. The government has to realize that it has to play fair with the railways. We're not asking that they not be taxed, period; just treat them like other property tax owners. Don't hit them with the full shot. They can't afford it, period.

Mr Wiseman: As the member for Eglinton has already indicated, we have heard a number of deputations from people like Transport 2000 who are interested in the rail system. I've had some interest in rail haul, rail transportation of goods and just-in-time delivery services as they could apply to the rail system. I've been interested in this. I have three lines running through my riding and I've always thought they could be better utilized than they are.

To that extent, I have discussed this issue with the Minister of Transportation on a number of occasions. I can confirm right now that the ministries of Transportation and Revenue have issued a letter to both CN and CP to meet to discuss this whole question of assessments of rail lines and rail rights of way. I hope that out of those meetings some kind of plan can be developed that will not only save the rail systems in Ontario, but enhance them as a low-cost, efficient means of transportation of goods.

I think there is an economic niche for the railways and how they can deliver goods in an efficient way. With that in mind, as Ms Poole has already indicated, Metro does have the option in all this to have the same powers of caps on the increases for rail rights of way. I would hope that the Metro chairman and others would exercise this right.

You have commented on this already and I've asked this question to others before. I have the third largest constituency in Ontario, but the mayor of North York and the mayor of Scarborough are elected by more people than I am. Their constituents are in Metropolitan Toronto; mine are not.

In the democratic process, given where the British North America Act sets out rights and so on, and the development of the relationship between councils, regional councils and the provincial government, I wrestle with the dilemma of coming from outside Metro to overrule and say that the mayors and regional councillors duly elected in this jurisdiction don't know what they're doing, haven't thought it through and I, as the big outsider daddy coming in, am going to make things right. There's a real problem in this debate.

Perhaps you could comment on those two things.

Mr Schweitzer: The last one first, Mr Wiseman: I'm not from Metro Toronto, so I don't directly elect Chairman Tonks or any of the people here, but we elect you people. As legislators, seemingly you have a responsibility. On this proposal by Metro, I'm not about to sit here and tell you that they didn't do what they had to do to think things through. I don't know the process they went through; I have heard some of it.

When it is pointed out to this standing committee that there is a need for protection for two major, major employers in this province, then surely we cannot leave it to Metro, which obviously needs to come up with that $57 million or $87 million shortfall from the changes they're making.

I don't think we can leave it to them. I believe you have a legislative responsibility to take hold of the situation and ensure that those two major employers in this province remain viable, and in doing so that your tax bases throughout the province—I'm not just talking about Metro; I'm talking about where I live in Hamilton and I'm talking about Schreiber and Sault Ste Marie and Chapleau at CP and Hornepayne at CN. If those railways cannot operate in Toronto, don't for heaven's sake think they're going to operate in Hornepayne or Schreiber or anywhere else.

Mr Wiseman: Could you comment on the meeting?

Mr Schweitzer: Pardon me?

Mr Wiseman: Could you comment on the meeting between the ministers of Transportation and Revenue and CP and CN?

Mr Schweitzer: That's great. This committee has met with Gilles Pouliot, the honourable Transportation minister, on two occasions. We have urged the minister, and the minister listens, and with predecessor governments we've done the same thing. Yes, we expect that will be fruitful for them to meet with CN and CP.

The Chair: I must, I am sorry, turn to the last questioner, Mr Turnbull.

Mr Turnbull: Mr Schweitzer, I have two questions and I put them to you because you're a good source. You've said you're a member of the NDP. There are two questions that arise in my mind. One is the need to have a different assessment method. There's been a lot of talk about unit assessment. It's quite apparent that the method that is applied to railway rights of way at this moment is totally inappropriate because taking the average of adjacent lands is highly unfair.

Railway lands don't get any services, which was very apparent when there was the spill in Mississauga. In fact, for all the firefighters and the police, the railways were billed for that. They don't get any services for the taxes they're paying even though they're paying, in many cases, the highest taxes. You take it further in the neck. There's that question, because most of the people who've been coming before this committee have been talking about the need for fundamental property tax reform, and this is an opportunity to do it.

The other is the fact that to the best of my knowledge—I actually have a copy of a document from the 1984 policy convention of the NDP where it said it opposed further expansion in the province of market value assessment, and several of the NDP members who were in the last election ran on a platform of being against market value and now have voted for this in the Legislature. Unfortunately, it is evolving down to a political issue, and it really shouldn't be. This should be a question of cutting across politics and saying: "This is a tax issue. How do we address it?"

Could you comment on those two issues for me?

1050

Mr Schweitzer: Whether it's NDP policy, I have read the same documents you've read and I read them probably the same way you read them. I think you're right that it transcends politics. On the whole tax issue, everybody hates paying taxes. I don't like paying them. If I can get out of them, I will. But the point is that you can't address the issue piecemeal. It's probably the first time I've ever agreed with the Canadian Federation of Independent Business people when they said, and the point is correct, "You can't address a bit here and a bit there and a bit there." Politics aside, yes, you have to do something with the whole issue.

To me, I understood that's what the Fair Tax Commission was going to do. If I were to make a recommendation, I would ask the House to do whatever it could do to stop this bill at least until the Fair Tax Commission has reported. I don't know if that's possible or how you would do that. Maybe royal assent wouldn't be forthcoming or whatever or an amendment would be made; I don't know.

All we're saying to you is, let's get the whole tax question settled properly so that our particular concerns—our employers are still here tomorrow or the next year or whatever. I don't know if that answers your question.

The Chair: Thank you. I apologize that we have run out of time. Perhaps, again, that optimistic note that you find common ground with the Canadian Federation of Independent Business may guide us in our deliberations.

Mr Schweitzer: That's hard.

The Chair: We thank you very much for coming today, gentlemen, and for your presentation.

CANADIAN INSTITUTE OF PUBLIC REAL ESTATE COMPANIES

The Chair: I call in the Canadian Institute of Public Real Estate Companies, if their representatives would come forward. Please be seated. If you would be good enough to introduce yourselves for Hansard, and when you're ready, please go ahead. You have 20 minutes.

Mr Ronald Daniel: Good morning, ladies and gentlemen. My name is Ron Daniel. I'm the executive director of the Canadian Institute of Public Real Estate Companies. CIPREC is the acronym. With me today is David Stewart, director of property tax, Cambridge Leaseholds. I want to thank you for allowing CIPREC the opportunity to address you with respect to the proposed plan to implement market value assessment in Metropolitan Toronto. I know you've already heard from one of our members, Marathon Realty, and that you'll be hearing from another this afternoon, CN Real Estate.

We've delivered—and I noticed it was being handed out—a short written brief expressing our concerns. I'll summarize these in approximately the next 10 minutes and then David Stewart and I will be pleased to answer any questions you may have regarding our representations.

First a few words about CIPREC. The Canadian Institute of Public Real Estate Companies is the primary voice for the Canadian real estate investment and development industry. It's a small group. We have 35 members, but they are national in scope and international in their investments, with $60 billion in assets, and just to show you real estate is changing, approximately three years ago that was $75 billion in assets. We've provided you with a copy of our annual report and you get some more information there on the various members.

As a background to my remarks, I'd like to talk for a moment about taxes in general on the real estate industry, as other people have in earlier presentations today.

We do a survey annually on taxes paid by our members across the country. We've been doing this for three years. It includes income tax information, as well as property taxes and property-related taxes such as the commercial concentration tax, capital taxes and so on. This year, we were startled to see that over the three-year period, property-related taxes collected and paid to municipal and provincial governments in Canada had risen by 50% over the three years.

In total, in Ontario, CIPREC members pay around $650 million in taxes, municipal and property-related, which would include development charges, lot levies, commercial concentration tax and capital taxes. This rate of growth is rapidly making Canadian business uncompetitive with cross-border opportunities and a variety of others.

We're making this point—I'll be very brief—to as many levels of government as we can. We're working with the Federation of Canadian Municipalities, which has the same concerns we have. We've talked to three or four different provincial governments and we are continually in contact with the federal government on this issue.

The single largest component of the cost of doing business in the real estate development industry, and I think most other industries today, is taxes: realty taxes, municipal payments and so on, as I've described. It is against this background that I'd like you to assess the concerns we are going to express with respect to the concept of market value assessment as a means of establishing and maintaining equity in the tax treatment of properties of the same class.

We have had a continuous dialogue with the chairman and staff of Metro council over the last 18 months. CIPREC was and remains committed to assisting Metro council develop an acceptable approach to implementing a market value assessment program that would move towards improved equity in and between property classes across Metro.

We have no problem with the concept. To our understanding, it is the dominant system in North America, and we've been unable to find in any detail in any literature any alternative scheme that is close to being implemented in the way that market value has been implemented.

The problem we had was that we considered the interim reassessment plan approved by Metro in September 1989 highly discriminatory, requiring commercial and industrial classes of property to provide protection for the residential class. We recommended a phase-in of market value over 10 years equally across all three property classes. These discussions were held prior to the release in August 1992 of the Revenue Ontario 1988 market valuations for all of the property in Metro Toronto.

Subsequently, Metro Toronto council decided to obtain council approval for the implementation of a modified version of the approach approved by Metro council in September 1989. The Metro council debate was preceded by the examination by Metro staff of as many as 20 options—I'm sure that's the low estimate—for protecting various property classes. It became obvious to everyone that reassessment and rejigging of the scheme was going on constantly throughout that debate.

During our discussions with Metro staff throughout 1991 and 1992, there had been no indication of a fourth property class now known as "other property." There was no indication that was under consideration. This change was referred to for the first time in Metro correspondence received by CIPREC dated October 15, 1992. Metro council approved the market value assessment proposal that's currently before the Legislature on October 29, 1992.

The creation of this fourth property class gives rise to serious concerns of the inequitable treatment of properties within the commercial class, the extremely onerous burden placed on land held for future development and the additional tax burden placed on Ontario taxpayers as a result of the increased taxes on railway, pipeline and hydro rights of way. In addition, as two CIPREC members, Marathon and CN, will point out to you, there is potential loss of economic growth and jobs.

1100

The current Metro Toronto council proposal presented for provincial approval and requiring that the province pass enabling legislation before it can be implemented contains concepts that have not been tabled in earlier discussions with CIPREC and others, and the significance of financial impact and the total package which you're being asked to provide enabling legislation for has not been part of the public debate. CIPREC is concerned that the proposal now under consideration by this committee receive thorough analysis. We don't believe there was the kind of time available during the council debate to give it that kind of analysis.

The fourth classification, "other property," includes vacant land generating no business tax, together with railway and other rights of way. These are comments with respect to the package:

The creation of this separate class, "other property," is discriminatory as properties in this class will be treated differently from other commercial properties by not being afforded the protection proposed in the Metro scheme for commercial properties. Not only will vacant land pay higher taxes than property with operating businesses but it will be further penalized as it will not avail itself of most other municipal services.

Up to this time, we've been unable to obtain lists of the specific properties included in the "other property" class. Therefore, the total impact and significance of these changes is unknown and not quantified.

The impact on Toronto's railway lands, as I indicated previously, will be discussed with you directly by the land owners of those properties, but it is important to recognize, as a couple of groups have done this morning, that these additional taxes on the railway lands specifically, which are the lands being held for future development—quite separately from railway rights of way, which are the operating rights of way—will have an extremely negative impact on the viability of that major project. The railway lands were to produce a major economic stimulus and be a major job creation opportunity. That will be postponed if these taxes are levied on those properties.

From Metro documentation, it is estimated that the current Metro proposal will generate approximately $80 million of additional new tax revenue from this "other property" class. A recent news report indicated that Ontario Hydro rights of way alone in Metro would have an additional tax burden of about $30 million to $40 million, presumably payable by all the residents of Ontario.

It appears that the entire Metro package of the proposed caps, the protection afforded industrial, residential and commercial, is dependent on the generation of this $80-million revenue from an undefined and unclear source. Should this revenue not be generated for a variety of reasons, some of which you've heard this morning, then the entire proposal package is in jeopardy.

As stated earlier, CIPREC's preferred position was that market value assessment be phased in evenly across all three classes over a minimum of 10 years. This reinforces the obvious, that a problem that took 40 years to create cannot be solved in one year.

In earlier discussions and presentations to Metro, CIPREC made the point that the provincial enabling legislation should mandate regular future evaluation and assessment cycles.

The current Metro proposal makes no firm commitment to the further steps required to achieve a situation reasonably close to a true market value assessment scheme in 10 to 15 years. Without this commitment, Metro Toronto could well end up in five years with a more complex property assessment and taxation system than at present, with little or no improvement in equity.

The proposal before the Ontario government will significantly increase the tax burden, as I've said before, on vacant land currently being held for future development and will hinder the efforts being made by governments and business to initiate development projects to help stimulate economic activity. In the last few days, the chairman of Metro has called on Ottawa and the province to help get the construction industry moving again.

The recent unprecedented decline in real estate values has led to almost a complete stop in new commercial activity in Metro Toronto and the surrounding regions. The further addition of the tax burden on vacant land held for future development will cause the real estate development industry and the construction industry further financial distress and further postponement of major commercial projects.

We urge the Ontario government to critically review the Metro MVA proposal and to enact enabling legislation only if all properties in a class are treated equally, if there is a reasonable certainty that the revenue flows and protection afforded the various classes are in balance—which we doubt very much at this point in time—and if the enabling legislation contains a legal and firm commitment to future regular reassessments.

The Chair: Thank you very much for your presentation and also for the copy of the annual report you provided to all the members. We have three questioners: Mr Mills, Mr Turnbull and Mr Grandmaître. Could we keep that to one question, please.

Mr Gordon Mills (Durham East): My question has two parts, but they're brief. You're probably aware that the government has legislation that permits Metro to put a cap on vacant property, so my first question is, when this bill is passed do you intend to go to Metro to pursue that, to ask for that?

Mr Daniel: To pursue it at that time?

Mr Mills: Yes. Are you going to go back to Metro and ask for this?

Mr Daniel: Yes, we will pursue it at that time, but we feel very seriously that this is the time to pursue that.

Mr Mills: My second question is that as a government we're committed to working with Metro to initiate a new tax plan. I'd just like to ask you if your organization is as committed to work with Metro to help that new plan.

Mr Daniel: As I indicated in the presentation, we have been consistently, over the last part of two years. However, we are somewhat concerned that the vacant land issue came up at the last minute, not having been discussed before in the previous 18 months. Having said that, we have very serious concerns and doubts about how effective we're going to be at the next round of discussions.

Mr Turnbull: Am I correct in thinking that it's been reported that the large buildings are mainly going to get a reduction in taxes under this MVA?

Mr David Stewart: It wouldn't necessarily stem from the size of the building, but rather whether it was overassessed in the first place. There will be a lot of ups and downs, and we can see there's already uncertainty as to who's going to go up and who's going to go down, and by how much, and what the impact will be if they move or don't move.

Mr Turnbull: But on the big buildings, the built buildings that your members have, are they going to get reductions?

Mr Stewart: Not necessarily, depending on where they are in Metro. As I say, it is not going to flow from the size of the building but the new valuation of the building versus the old.

Mr Turnbull: My understanding is that, to a great extent, the large buildings are getting reductions and it's being taken essentially on an income-flow basis; whereas for the small buildings it's being taken on market value in 1988 as an approach, which was based upon a redevelopment potential.

Mr Stewart: I can only answer that there are several properties going up and several going down, but if you're speaking of the major office towers downtown, some of them are obviously going to be going down, at least on the last numbers we've seen.

Mr Daniel: But not all. I think on balance it's probably a break-even situation.

Mr Turnbull: No, it's not a break-even. The large ones are going down. I just want to get it on the record that the large buildings, which substantially you represent, are going down.

Mr Daniel: I'd like to add to that. I will write to you and give you some form of analysis of that.

Mr Turnbull: So you're in favour of MVA, but for the development sites you own which are getting increases you're not in favour of it.

Mr Daniel: How do you mean, not in favour? We're not in favour of their being treated differently from regular commercial property.

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Mr Bernard Grandmaître (Ottawa East): As a follow-up on your firm support for full market value and your extensive discussions with Mr Tonks and Metro council for the last 18 months or 24 months, a fourth property class was never mentioned in the last two years and it was a total surprise to you that a fourth class was added. I just heard the parliamentary assistant saying, "Well, this enabling legislation will permit Metro to amend the proposal that's before us."

If in the last two years Metro never brought this fourth class or this proposal to your attention, do you believe Metro will amend this model so you will be included in the commercial class instead of "other property" class? Do you believe Metro will amend its model?

Mr Daniel: It's highly speculative. I have no idea what Metro will do. We haven't had discussions since the council resolution was passed.

Mr Grandmaître: But the fact this was never mentioned to you in the last 24 months—that it was a complete surprise.

Mr Daniel: As I've indicated, I'm quite sure it came up at the last minute.

Mr Grandmaître: At the last minute. So do you believe that Metro—

Mr Daniel: It's difficult for me to predict that.

The Chair: I'm afraid our time has come to a close. I want to thank you again for coming before the committee and for answering the committee's questions.

ONTARIO RESTAURANT ASSOCIATION

The Chair: I now call the representative from the Ontario Restaurant Association, if you would be good enough to take a seat and introduce yourself for Hansard.

Ms Constance Wrigley: I just have to return something.

The Chair: There's a mission of mercy as you return the briefcase. You will receive the good Samaritan award this morning.

Ms Wrigley: Thank you. Good morning. My name's Constance Wrigley. I'm the manager of municipal government affairs for the Ontario Restaurant Association and we welcome the opportunity to speak today to present our concerns over the proposed market value assessment.

On behalf of our approximately 3,500 members representing 7,000 foodservice establishments throughout

Ontario, half of which are in Metro Toronto, I would like to state that the Ontario Restaurant Association is solidly opposed to the Metropolitan Toronto reassessment plan as approved by Metro council.

Market value assessment, as it was proposed, will without a doubt mean an end to many small business operations throughout Metropolitan Toronto and will have a devastating impact on tourism by decimating downtown Toronto.

Small business, which is acknowledged to be the backbone of the business community, will be seriously undermined by the proposed MVA scheme. This MVA plan is being portrayed as a system of tax reform which will resolve all tax inequities throughout Metropolitan Toronto. It seeks to correct nearly 40 years of inadequacies in the current tax system in an extremely short period of time.

Unfortunately, it will not create an equitable system for all property owners across Metro, but instead it will destroy the small business community, it will put people out of work, it will severely undermine Toronto's position as a premier tourist destination, it will force business owners to become tax delinquents because they cannot afford to pay their tax increase and it will mean that higher-density areas, such as the city of Toronto, will no longer be a place to do business. Restaurants will close down and move to other, more affordable communities or will close down for ever.

The Ontario Restaurant Association supports any system that promotes tax fairness, but the proposed plan does not treat all taxpayers equally because it shifts the tax burden from residential to commercial properties. Residential properties that will have an increase will pay a maximum 10% increase phased in over two years, while commercial properties will pay a 25% increase phased in over three years.

Many of the commercial properties experiencing an increase in property taxes are small businesses. It is our position that balance has not been restored as a result of MVA but rather an imbalance has been established throughout Metropolitan Toronto and across property classes.

As I am sure you are aware, the hospitality-tourism industry has been severely hurt by the current recession. The restaurant industry has been damaged by the introduction of the GST, cross-border dining and a marked decline in tourism.

Unfortunately, the hospitality industry has been squeezed on both sides during this recession. Not only have sales declined but our industry has been impaired by escalating costs. Many of the cost increases are as a result of government tax and administrative initiatives. This combination of a decline in sales and an increase in operating costs has enhanced the job losses in our industry.

The restaurant industry in Ontario, over the last 24 months, has lost in excess of 60,000 jobs. This represents more than 30% of our workforce. Thousands of these jobs losses have taken place in Metropolitan Toronto and a further increase in operating costs in this environment will add even more job losses.

Considering that restaurants are operating at a 0% to 2% profit margin, any unplanned increase in cost will have devastating consequences on the viability of a business. Even a cap on property tax increases will not protect a business from closing its doors for ever and putting many people out of work.

Toronto acts as a gateway to Canada and Ontario for the tourism industry; 65% of all tourist visitors to Canada come through Ontario and 80% of these visitors come to Toronto. By increasing the cost of visiting Toronto by dramatically increasing property taxes, it will encourage some visitors and conventioneers to visit other jurisdictions in North America.

In consideration of the difficulties being experienced by the restaurant industry and the unfairness of the proposed market value assessment plan, the Ontario Restaurant Association would like to make the following recommendations:

(1) Request an early release of the Fair Tax Commission property tax working group report. The report may have some alternatives to MVA that are workable and equitable.

(2) Consider other methods of assessing Metro property taxes such as the use of municipal services and property size.

(3) Request that treasury conduct an economic impact study so that the full effect MVA will have on all properties is understood.

(4) Only support legislation that promotes fairness.

(5) Treat all property classes equally, and we would like to add to this, phase in all tax increases over a 10-year period.

(6) The Ontario Restaurant Association calls upon the provincial government to remove the commercial concentration tax entirely or, at the minimum, remove it from tourism and accommodation establishments in Metropolitan Toronto. This tax further disadvantages Toronto when competing with other major North American tourist destinations, especially in the area of lucrative but very competitive convention business. The removal of the commercial concentration tax will at least address some of the inequities in the existing tax system and the market value assessment proposal.

Finally, I'd like to say that we believe that the market value assessment plan is seriously flawed because it does not treat all properties equally. We are very concerned that if enabling legislation is passed and market value assessment is implemented without benefit of an economic impact study, the results could be unpredictable and possibly catastrophic.

The Chair: Thank you very much for your presentation.

Mr Stockwell: Not a lot new in that statement, but I have a question anyway. Everyone who comes in talks about an impact study. Are you in favour of an impact study for all those businesses and homes that don't get decreases, all those restaurants in Etobicoke that will close up because they're paying unfairly high taxes?

Ms Wrigley: My answer to that is that if they are going to close because they're not going to get their decreases, my question is, how is it they've survived this long?

Mr Stockwell: So: "Damn the torpedoes. Who cares? They survive even though they're paying too much." I am asking how come they've survived this long because of a self-centred special interest group based in the city of Toronto with actually no care for the suburban restaurants.

Ms Wrigley: We're not a self-interest—we're not just concerned about restaurants in Toronto. It just does not impact—

Mr Stockwell: Still, you just said, "How did they survive so long in the suburbs even though they have disproportionately higher taxes?"

Ms Wrigley: No, our position is that we agree that tax reform is required. There are restaurants in Toronto as well that will be receiving a decrease, although the decrease is not the full decrease that they may be entitled to.

Mr Stockwell: The increase isn't the full increase. But you're solidly opposed to MVA regardless of the benefits that accrue to the suburban restaurants that have been overpaying the taxes. You're solidly opposed?

Ms Wrigley: No, if you were listening to my final point which is—

Mr Stockwell: I heard your point when you said you're solidly opposed.

Ms Wrigley: What we did suggest is that all properties should be treated equally and that there should be a phase-in over a period of time. We cannot undo 40 years of inequity. So as a result, what I'm suggesting is that it be phased in over a period of time.

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Mr Stockwell: Quickly, my first question still stands: Are you in favour of this impact study on those restaurants and businesses that have been overpaying their taxes for 45 years to determine whether they're going to stay in business and whether they're going to hire any more people as opposed to just an impact study on those people who are going to be getting increases? It seems to me what's good for the goose is good for the gander.

Ms Wrigley: Mr Stockwell, I think that an impact study, if done, should be done right across all properties.

Mr Stockwell: And in the meantime we'll hold off any tax changes and let them keep sucking up the difference.

Ms Wrigley: I don't think that—I'm sorry.

Mr George Mammoliti (Yorkview): On this rare occasion, I'm going to have to agree with Mr Stockwell.

Mr Stockwell: Oh, oh.

Mr Mammoliti: I've been listening to a lot of the deputants over the last four days, individuals such as yourself who have come and have said that this is going to ruin the restaurant business, everybody's going to shut down. We've heard from CN that it's going to close the railways. We've heard from ratepayers who are going to have to sell their homes, abandon their homes, get rid of them. We've heard from pretty much every group within the area this is going to affect.

My conclusion is that anywhere south of Highway 401 is going to become a ghost town. Nothing's going to exist except air. The trees are even going to die because of this. Frankly, I can't believe that. I think it's just a total exaggeration. The suburbs have existed for 40 years. This is where I agree with Mr Stockwell. How have they existed? They've existed through some hard work. They have paid their fair share of taxes and more. They have subsidized the people in the lower part of Metro. I think it's time to give them a break. As much as this particular proposal is flawed, I agree with you: You've got to give them something and this is fairer than the system we have now. Do you honestly think it's going to create a ghost town?

Ms Wrigley: Again, I emphasize the job loss in the industry because I think that's a pretty clear manifestation of what is actually happening out there. It's not just happening in Metropolitan Toronto; it's happening in outlying areas including Downsview and so on. Again, we are talking about, I emphasize, the undoing of the inequity in the tax system. I honestly don't believe that the timing is right.

Mr Mammoliti: When is the timing going to be right? Another 10 years from now? Another 15 years from now?

Ms Wrigley: If you were a small business person and you did not have any margin to have any increase of any kind, whether it be administrative fees, food cost increases, liquor, beer, that sort of thing, and you were told that you would have to pay up to 25% more taxes than you did the previous year and you were not able to budget for that because it was within the last—

Mr Mammoliti: Explain that to all of my constituents who are going to get a substantial decrease with this particular proposal. Come on up to Yorkview one day and explain to all of those businesses that you say are having a hard time—and they are—and that are looking forward to this decrease so that they can perhaps create a few jobs in my particular suburb.

Ms Wrigley: In those areas such as Scarborough and Downsview, when they were told they were going to get a decrease they were told they were going to get the full decrease.

Mr Mammoliti: They've compromised.

Ms Wrigley: Unfortunately, it was a political platform. Some people were trying to get in. They were trying to get on city council. Yes, there is a compromise. I can understand. If I was expecting I was going to get $1,000, I would be pretty upset too.

Mr Mammoliti: My people aren't demonstrating. They're not holding placards. They're not running up and down Islington Avenue saying this is unfair. They're not getting the 100%. They're saying they want the 100%, but they understand the compromise and they're waiting for this. They're waiting for it and frankly they're very upset at people such as yourself coming here and trying to stop this for them.

Mr Grandmaître: Let's go back to the foodservice industry. In your brief you're saying that over the last 24 months some 60,000 jobs were lost?

Ms Wrigley: Yes.

Mr Grandmaître: You've known about this new assessment scheme for a number of months now?

Ms Wrigley: Since it was initially brought up at Metro council, yes. We've known about it for a couple of years.

Mr Grandmaître: A couple of years?

Ms Wrigley: Yes, but we've only been involved with it just recently.

Mr Grandmaître: How active have you been? Have you been working with Metro on this assessment scheme?

Ms Wrigley: No, we haven't worked on the scheme with them, but we have made presentations to Metro council, and we've met with the municipal mayors' offices and expressed our concerns, and we've heard their side as well.

Mr Grandmaître: Let's talk about additional job loss. You were saying that a good number of restaurants will close their doors because of this new assessment scheme. How many restaurants will close their doors?

Ms Wrigley: I can't answer that.

Mr Grandmaître: What about your membership? Have they told you? Have they reported to you?

Ms Wrigley: A lot of our members are saying this is just the thing that will push them over the edge, and they're not just in the city of Toronto; they're also in North York and other areas. They're saying this is just enough to push them over the edge, because of the past three years and what's been happening.

I think we can consider the restaurant industry perhaps as an economic indicator of what's actually happening out there. When times start to get tough, people don't eat out. As I said, we're being squeezed on both sides. The tourism industry is way down. The cost of maintaining and keeping a restaurant open is extremely high. There are fewer customers coming in the door. So an increase such as this could just be the straw that breaks the camel's back.

The Chair: Thank you very much for your presentation.

Ms Wrigley: Thank you very much.

CANADIAN NATIONAL RAILWAYS

The Chair: I now call the representatives from Canadian National Railways, if they would be good enough to come forward. Good morning. Please take your chairs, and perhaps you'd be good enough to introduce the members of your delegation. You have 20 minutes and we look forward to your presentation.

Mr Allan Deegan: Thank you for the opportunity. In 20 minutes, what I propose to do is to make about a 12-minute deposition, which certainly allows time for questions, and then with your permission in advance, I would also like to make a two-minute closing statement.

The Chair: Okay.

Mr Deegan: My name's Allan Deegan. I am vice-president with Canadian National Railways and I have accountability for CN Rail's operations and business activities in Ontario. With me this morning is Bart Marcolini, who a lot of you know by now is national president of the United Transportation Union of Canada.

The Chair: We welcome him back.

Mr Deegan: Mr Ron Ditchburn is the manager of property tax for CN in Toronto.

I'd like to speak today on behalf of the 7,000 CN people whose mission it is to develop and deliver the kinds of transportation services that keep Ontario industries competitive. It's also their role to satisfy the increasing public demands for expanded rail commuter services in the greater Toronto area.

I do not exaggerate when I say that CN people are astounded and dismayed at the market value assessment plan for Metropolitan Toronto, astounded by the patently unfair treatment of railways as compared with other property owners, which translates into a tax grab of monumental proportions, an increase of some $29 million for CN on the rail operation alone. We are also dismayed because these additional enormous costs will severely limit the ability of CN to do the job that's required of it.

We derive nearly 90% of our revenues from the movement of freight; some 17 million tons handled in Ontario last year. In this, we compete not only against CP Rail and Ontario-based trucking companies, but also against aggressive and low-cost American railways and truckers which operate in Ontario.

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Transportation deregulation and free trade have created a new North American marketplace and have exposed our traditional markets here in Ontario to new high levels of competition. Major American railways already extend into Ontario and are targeting Ontario businesses and industries as never before.

There are three dominant reasons why CN so strongly denounces Metro's plan, which has been put forward with no regard at all for its potential impact. Firstly, the most obvious reason is that the proposed tax on railways discriminates against railways. Secondly, the tax will weaken our competitive position in transportation because of the higher costs we will face. Thirdly, the tax will discourage the use of rail as an effective means of public transit.

What do I mean when I say that the tax discriminates against railways? Let me be quite clear that my concern relates to the proposed tax levels on land actually used in the railway operation. These are right-of-way lands, as well as additional lands required to support the running of trains.

The additional lands I refer to are the marshalling yards, storage areas and other parcels of land required for repair shops, storage etc. These lands are used in the same manner as lands of other industries such as trucking companies, warehousing operations and construction businesses, yet despite railway lands having a similar use to those of other industries, the proposed Metro reassessment plan denies the railways the protection of capping afforded to these other industries.

Let me now draw your attention to the situation regarding railway rights of way. These are the long, narrow strips of land on which our tracks are located. Typically, they are 100 feet in width or less and are utilized only as transportation corridors for our trains.

Clearly, these rights of way have unique characteristics. They rarely, if ever, require municipal services such as sewer and water, police protection, snow and garbage removal,

education and social services. Why these rights of way should be subject to municipal property tax at all is a question still awaiting a logical answer, yet we have quietly carried our tax burden for many decades, even though two provincial commissions of inquiry have found such a tax to be unfair.

Prior to 1990, provincial assessment methodology prescribed rights of way as a separate class of property, a recognition of the unique characteristics I have mentioned. This system at least ensured that any increases in property taxes were applied uniformly to all classes of property: rail, industrial, commercial, residential. This system at least ensured that railways would not be singled out in the payment of municipal property tax.

Since 1990, however, this relatively fair approach has changed. The separate class factor for railway rights of way is eliminated. Municipalities across the province are now able to calculate the right-of-way taxes based on the value of adjoining properties, using a market value that bears no relationship at all to the values of the rights of way. Given the nature and scope of our operations in Metro Toronto, it is here that we would feel the brunt of even a normal progression of a tax of this type.

We can no longer be quiet on this issue. The Metro plan is unlike any other reassessment in Ontario to date.

Whereas the classes of properties adjoining rights of way will be protected by capping provisions, no such protection is being extended to the railways. We are to be reassessed in accordance with 1988 market values on lands that we adjoin, and our tax payment increases are to be paid in full without any phase-in provisions.

Metro's proposal violates one of the basic principles of market value reassessment: that there be no taxation shift between classes of property. In this case, there will indeed be a significant shift in taxes towards the railways.

In truth, the railways are being required in part to subsidize the shortfall in taxes that will result from capping provisions being applied to other classes of property.

This in itself patently discriminates against railways. When considered in the context of the competitive environment in which we operate, the inequity becomes even more glaring.

This brings me to the second of our objections: the weakening of our competitive position.

I have mentioned the intense competition we are facing from American and Canadian carriers, and especially from trucks. The trucking industry does not have to worry about the effect of market value assessment on its right of way. Truckers do not have to pay direct property taxes on their transportation corridors, which are the public roads and public highways they utilize in order to compete with us for the movement of freight.

This is a major cost advantage enjoyed by trucks, which continue to nibble away at the railway markets.

I mentioned also that we compete directly against American railways. I would point out that railways in Canada already pay at least one and one half times the amount of taxes our US competitors do. In fact, most states in the United States have laws that forbid discriminatory taxes against railways of the kind being proposed by Metro Toronto.

Higher costs for CN in the form of discriminatory and punitive taxes will weaken our ability to compete. Competition is driving freight rates ever downward, and to expect that CN can simply pass these costs along to our freight customers is very wrong.

Our services must be competitively priced, and if our costs are not kept in check, the consequences are quite clear: We will lose customers, we will be unable to make the investments in Ontario needed to maintain our plant, our business will suffer, employment will decline and the railway network will continue to shrink and wither away.

Many of our employees and union officers have written to the Premier and his ministers to express their dismay at the market value assessment proposal and its harmful effects upon CN. I quote Mr Ahmad of the machinists and aerospace workers, in his letter to Premier Rae, "Railway workers shouldn't be asked to pay for this MVA proposal with their jobs."

The third main issue relates to the impact of Metro's MVA plan on public transit.

More than 40,000 GO train trips take place on CN trackage every year. Our agreement with GO Transit provides for property tax increases to be passed on, and so GO Transit's share of these tax increases will rise by some $12 million in 1993.

It seems ironical that the province recognizes the great benefits of a commuter rail system in easing highway traffic congestion and in easing pollution. But we have to ask, will rail commuters now be asked to pay the higher fares? Is this not in conflict with the province's concerted efforts to expand the GO Transit system and encourage the use of public transit?

I believe I've demonstrated that Metro's MVA plan is not only discriminatory but highly damaging to CN's freight and public transit activities.

We believe there is potential for growth in the rail business. We hope to be able to continue to make investments in our plant and facilities to help Ontario's industries compete in their new and expanded both continental and global markets.

Wise public policy is needed to ensure that the rail mode is able to realize its full economic and social potential.

You have the authority, and we believe the duty, to consider the long-term economic impact of Metro's proposal. It is clear that Metro council gave no thought at all to the impact on the viability of railway operations, CN employment levels or the competitiveness of Ontario manufacturers.

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It has been said that nothing is more certain than death and taxes. We believe what we have here is yet another form of death by taxes: an unfair level of taxation we are faced with that will surely affect the vitality of railways and hasten the demise of parts of the rail system.

I recommend to you two alternatives: (1) that you request a delay in enacting this proposal until the broader economic impacts of the right-of-way tax and the tax on the additional lands required for railway operation have

been fully assessed, and (2) at the very least we recommend that the legislation as drafted should be amended in order to give the railways the capping provisions that apply to other classes of property.

I hope you will agree that Metro's proposal is clearly not in the public interest and must not be enacted in its present form, opposite the wellbeing and betterment of the railways.

Mr Chairman, that's the end of the deposition. Mr Marcolini, Mr Ditchburn and myself would welcome any questions before I go ahead with the closing statement.

The Chair: And you would like a few minutes, so I'll keep that in mind.

Mr Wiseman: Thank you for coming. I have a lot of questions; I don't know how to do it in just one or two.

The Chair: Thank you.

Mr Wiseman: Let's not get carried away.

Perhaps you could indicate to me exactly what the consequences will be. In Metro, will you close down your yards if you cannot afford these taxes? Will it drive you into bankruptcy, receivership? Will you be forced to close down lines throughout the province of Ontario? If the answer to those questions is yes, have you made the regional and local councillors and mayors of Toronto aware of this circumstance, and what have they responded to you?

Mr Deegan: I similarly cannot answer with just one answer, because I would have to suggest to you that this initiative on the part of Metro, as well as a number of initiatives to do with taxation, be it to do with diesel fuel, be it to do with any of the other range of taxation issues and other financial issues we have that basically come out of government, all of those in total will eventually, yes, lead to some of the consequences which you are talking about.

This exact proposal itself is a proposal that will affect our bottom line, the net income of our company, by $46 million. I would not want to speculate to you how many freight cars we would have to move in order to generate net bottom-line dollars of $46 million. This is a very serious consequence.

I know what concerns us and what concerns the labour unions is the fact that of the businesses in the railway, 60% of our expense is tied up in labour, in wages. No matter how you take a look at a figure like this, the attack on labour rates has to be one of the consequences of a move such as this, apart from the absolute discrimination and unfairness to one particular industry.

Mr Wiseman: The other part of the question was, would you be forced to move out of Metro to survive, and in having done that, would you be forced to perhaps close some of the branches in, say, the Sault or up north?

Mr Deegan: We only operate in any particular territory where we have customers and where we have pockets and markets of business. Our main business in Metro right now, and particularly in the immediate downtown core, is our business with a very good customer, GO Transit. That is a very substantial part of our business in downtown Metro. Other businesses are migrating out to the suburbs and hence we have facilities in that part of Ontario. Other businesses in fact are migrating down to the United States, and it's certainly taxation moves like this on our industry that, if anything, are going to accelerate that trend. Businesses cannot afford the cost of rail transportation that is artificially inflated by taxation moves such as this. They will seek other alternatives. They will seek other locations to manufacture their products.

The Chair: I must move then to Mr Stockwell.

Mr Stockwell: I'm a proponent of market value assessment. I'm fully in favour but I'm also very concerned. I think somebody screwed up along the way here on this particular issue. I think you have a very valid case and your arguments have been well positioned. It does seem rather onerous that this $46 million would be passed on to you. The difficulty that I think council faces, that clearly this government faces—I'm not part of this government but I voted for the legislation. I'm not so sure this is a question; it's just a point I'm going to make.

The Chair: We'd be interested in your thoughts, none the less.

Mr Stockwell: The difficulty they're faced with is that they've designed the process to generate $46 million from the rail area. If they do concede and change, they've got to generate that money elsewhere, and I don't know where they're going to go to generate that money, considering the caps that they've put on.

In the best interests of your particular groups and associations, I think you're going to have to offer alternatives that are a little more comprehensive maybe than the one or two you've given, maybe a way of drafting a process that would change the neighbouring zoning or neighbouring assessment, the assessment that's applied to your property because it's next door to an office tower or something and you're applied the same assessment.

Right now I don't know but I think we'll end up going back to research, at least in our caucus, and reviewing how this can be handled. The only message I'd leave you with is that it was, to a degree, hastily put together because of the process they were in, and I think this was clearly an oversight. I don't think anyone intended this to happen. If it's any comfort at all, we'll be reviewing it within our research department or division to see if there's anything at all that can be offered up as an amendment that could address the situation.

Ms Poole: I thank CN for coming today and outlining the depth of this problem for us. I have a couple of questions. The first is that there have been comments made by the government as to the willingness of the government to meet with the railways to discuss this. I have just talked to representatives from CP, and despite efforts over the last month, there have been no meetings set up with either the ministers of Municipal Affairs, Revenue, Transportation or the Premier. I wonder if you had any luck in setting up any meeting to discuss this very urgent problem.

Mr Deegan: We have been discussing this very urgent problem of the ministries you've been outlining both directly and in correspondence for about the last two years

and have had no success whatsoever in developing an interministerial approach to the solution to the problem.

Ms Poole: I was thinking specifically of the rights of way and the fact that they have not been capped under Metro's proposal, which just came to your attention at the very last minute and you've had no opportunity to actually go to Metro and have it revise this.

You say in your brief very clearly that the province has "the authority and the duty," to use your terms, "to consider the long-term economic impact of Metro's proposal." The government's response to that has been to say, "Well, we've put in a provision which allows Metro to rethink its position if it chooses to do so."

I for one don't place much credence in this, because I think Metro needs your money in order to make this plan work. In fact, it became very clear, when they created this "other" category at Metro in this last-minute compromise, that they well knew what they were doing and that they were providing more decreases in the residential class by putting on the right-of-way provision.

Do you place any credence or do you have any indication that Metro would rethink its position, or do you believe that the provincial government should deal with it now and that is your only protection?

1150

Mr Deegan: Unless Metro is prepared to resubmit its proposal to you, then our only solace comes from the action that the provincial government is in a position to take. Certainly, any consideration provision on the part of Metro is very thin solace to a company that's facing a tax bill $46 million higher than it was last year. Faced with an amount like that, we would look to the security of legislation as opposed to the goodwill of consideration.

The Chair: Thank you. Would you like to do your conclusion?

Mr Bart Marcolini: I wanted to make one statement. You've already heard from the United Transportation Union and I don't want to repeat myself. Everybody thinks it's scare tactics, but I think you have to take a good, hard, long look at it, you people here, because if one of the railroads goes out of business, which it likely will, where are you going to get the taxes then, if you don't mind my asking? If this bill goes through the way it is, I would say that in a short time one of the railroads will go the way of the dodo bird. I'm just going to leave that with you. These are not scare tactics. You people had better sit down and have a good, hard, long look at it.

I keep hearing people say, "Go back to Metro." I know a lot of the people on Metro, and I don't want to go back to Metro. That's where it came from.

Mr Deegan: I'd like to wind up by saying that the Premier's office has told us that Metro Toronto council is responsible for its own deliberations and decisions and that, "The province must respect that market value assessment plan as Metro's responsibility." We would like to point out, however, that the Ministry of Revenue made it possible in the first place for Metro to tax the railway so unfairly. It was the ministry's change in assessment methodology which laid the groundwork for this astonishing tax grab.

We would also say that this is just another example, frankly, of what we consider, in the broader context, the bewildering dichotomy we find here at Queen's Park regarding policy on railway transportation. On the one hand we find that within the Ministry of Transportation itself there is a good level of understanding of the real benefits of rail. I'd like you to know that we work closely with MTO in advancing the rail mode as a central part of a balanced and economic transportation system for Ontario. Yet at the same time these efforts are thwarted by what we consider curious if not misguided policies within, for example, the Ministry of the Environment and the Ministry of Revenue. Each of these ministries seems to have developed its own special technique for making it very difficult for the rail mode to succeed as a viable mover of freight and people.

We've got to ask the question: Will the real Ontario government please stand up? This is your chance to say no to a proposal that will be harmful to Ontarians, and it's also your chance to say yes to our plea to ensure a viable and effective rail transportation system that will benefit Ontario industry and commuters alike.

In closing, let me say as a final sentence that we at CN, our colleagues at the other Ontario railways, our partners in the labour organization and all the 15,000 railway workers in Ontario will be following with great interest and expectation the recommendations of your committee. Thank you very much.

The Chair: Thank you very much for your submission.

PATRICK MARUM

The Chair: I now call our last witness for the morning, Mr Patrick Marum, if he'd be good enough to come forward. Please introduce yourself for Hansard and then proceed.

Mr Patrick Marum: My name is Pat Marum. I feel a little intimidated, to be quite honest with you, coming in behind CN with a presentation like this and it's able to hand everything out.

The Chair: Please don't feel intimidated.

Mr Marum: I'm squeezed in between that and the rush for the restaurant to quell the growls from the stomach, but I'll do what I can in the meantime, if I may.

The Chair: We'll hold our growls and listen to your food for thought.

Mr Marum: Market value assessment is being blamed by almost everybody in the city of Toronto for just about everything. It seems to me that about the only thing it has not been accused of causing is raising the price of coffee in Brazil.

However, I believe that the truth is slowly slipping out to the many. I believe that people are actually asking questions that now research the real issue. I believe that the vast majority will eventually realize that market value assessment does not cause the outrageously high property taxes demanded of us each year. The majority will, without question, recognize that the escalating value of property does not cause the increase in property taxes. The common sense of the majority will cause them to focus in the right

direction and to place the blame fairly and correctly where it should be placed.

Someone once said that you can fool all of the people some of the time, and you can fool some of the people all of the time, but you can't fool all of the people all of the time. The proponents of the view put forward by the city of Toronto would have you believe that the rest of Metro was trying to close every small business in the city because of the unfair burden being placed by the proposed Metro suggestion, which is, after all, a compromise.

The reality is that this problem was caused during the last round of negotiations about three years ago. Mr Stockwell was down there at that time. At that time, the city of Toronto wanted the residential properties protected and agreed to loading the burden on the other side of the scale. Now small businesses are screaming that this is not fair, so the city of Toronto spends almost $200,000 trying to convince us that their businesses should be protected also.

The Toronto Star addressed this issue. They quoted the management of a car dealership on Yonge Street who indicated they would no longer be able to compete in the open market with the new proposed taxes. I felt sorry for these businessmen at first, then I thought about it logically. I set up an imaginary deal in my head. I thought, if there was a contract for a large fleet and there are two competing dealerships, one on Yonge Street and one in Scarborough, how level is the playing field for these businesses to compete for the order?

They are both Chrysler dealers, therefore they pay the same price for their cars. This sale will be won on costs to the dealership other than product cost. Staff I don't consider a factor, because their numbers are relative to volume and likely balance on a cost per unit. Other costs balance in much the same fashion, but a really big difference does appear when we view property costs. In both, the capital cost of the property is relative to the market value in their area, but a serious imbalance does occur when property tax is considered.

There is a strong case, I suggest to you, to say that taxes on Yonge Street property are being paid in part by the suburban competitor, who will, because of this, always have to play uphill and against the wind until you impose a fair and equitable tax situation.

I've also heard it argued that people bought their property and businesses in the suburbs knowing what the taxes were, so why should they now ask for a reduction? I thought that was a valid argument for some time. The old legal term, caveat emptor, was uppermost in my mind: buyer beware. A person should be able to say: "You knew what you were doing when you signed the deal. Now honour your commitment to that deal and pay the price."

But when a person is deceived and relies on false or misleading information to make a decision that is to his detriment, that situation is called fraud. The victim of a theft just calls the police, the action is immediate, there is no embarrassment involved, while the victim of a fraud, on the other hand, must suffer the humiliation of admitting that he was suckered by the falsehoods of the bad guy. This is hard to do, and many prefer to hold their silence rather than admit to being taken for a sucker.

I have swallowed my pride. I admit I was deceived, that the false and misleading information put out by the city of Toronto suckered me. A citizen who's been defrauded by an individual lays out his complaint to a police officer. I have only you, the lawmakers, to make this situation right for me.

I'm not asking, by the way, that you gouge those who will increase so that we can have the overpayment back. No, sir, all I ask is that you make it right for the future. Before you brush off that concession too quickly, for not asking for the overpayment to be paid back, let me illustrate the magnitude.

There are two widows who live a few doors from my own home. I have been their neighbour since 1978. Between then and now, they have been compelled to pay almost $17,000 more than their fair share in property tax. This is not money that was used to feed the hungry or to house the homeless. This dreadful situation is compounded by the fact that residential property tax is not deductible and must be paid in after-tax dollars. The average employee would have to earn more than $30,000 to be able to pay that—

The Chair: Mr Marum, if I can interrupt, the rules of the House require us to go there when a vote is called. The vote is going to take place in about two and a half minutes. We can go and come back to hear the end of your presentation. I apologize for interrupting, but the rules require that we do that. I would therefore say that we will adjourn, and as soon as the vote is concluded in the House, we will come right back.

Mr Marum: I am of course in your hands, Mr Chairman. May I ask, can you give me an estimate?

The Chair: It won't take very long.

The committee recessed at 1202 and resumed at 1211.

The Chair: The vote in the House being completed, I again apologize for the interruption in your presentation. If you want to pick up a few sentences back just to get the flow, please do so.

Mr Marum: Mr Chairman, I got as far as trying to explain to the committee that I wasn't asking for the Ontario government to gouge those who will get increases, or asking that what had been overpaid by the many be given back to them. I had just indicated that one should not brush off that concession lightly, because it is really a substantial concession to make.

I began to explain that there were two widows who live a few doors from my own home. They have been my neighbours since 1978, and between then and now they have paid $17,000 more than their fair share. That's over and above what they should have paid under a market value situation. That extra money they paid wasn't used to feed the hungry or look after the homeless. This is a dreadful situation which is compounded by the fact that residential tax is paid by after-tax dollars. It would take earnings of approximately $30,000 for a normal person to be able to pay the $17,000 that had been greedily grabbed to pay the tax for another person here in Metro. The redistribution of assessments will only benefit those two widows and

people and businesses who have been unwittingly overpaying year after year.

Property tax is a form of wealth tax. That is simply a fact that has existed since its first use was recorded in 500 BC. I'm sure that the politicians of the wealthy, then as now, were heard bleating and yelping. They wanted at that time to continue to take from the poor and to give to the rich. They object now to increasing property tax on Post Road, Forest Hill, Rosedale and in parts of the city of Toronto.

They also argue that the timing is not right. Well, will the time ever be right? I say to you that it will not, that there will always be an apparent fall guy, and it is clear that you must do what you can in the situation that now exists.

I am disappointed that there was not the will there to achieve the full implementation of market value, but frankly, on reading Bill 94, I can only say that it's like a very long and heavy train. First you've got to get it stopped, and slowly you begin the journey in the other, and correct, direction. But Bill 94 now has the train on the right track. Your responsibility, with respect, is to ensure that it stops at the right stations.

The Chair: We'll have one question from each caucus. Just one, if you please.

Mr Turnbull: I noticed that you looked in this direction when you said "the politicians of the rich." What do I say to the retired couple who live next door to me in a two-bedroom bungalow of very early 1950s vintage, the road not properly made, no storm sewers, they are not using many municipal services at all, and they're already paying $5,500 or so in taxes, and their taxes go up under this scheme?

Mr Marum: What do you say to them? I think you'd be very remiss, Mr Turnbull, if you didn't—there's a little piece of legislation that was put on the books here in this building in 1965. It's called the Municipal Elderly Residents Assistance Act. It allows for the increases to be deferred and to be placed against the title of the property. Then, when the people pass on, the building can be sold, the taxes can then be paid and the province and other citizens in this city are not subsidizing the inheritance of that couple.

Mr Turnbull: You're talking about a deferred capital gains tax.

Mr Marum: It's not a deferred capital—

Mr Turnbull: Yes, it is.

Mr Marum: It's a municipal elderly residents act.

Mr Turnbull: Your people are not paying, in two-bedroom bungalows, as much as my people are, quite frankly.

Mr Marum: Since 500 BC it seems to me that it has been a wealth tax, but you're saying—

Mr Turnbull: If we want to make it a wealth tax, let's make it a wealth tax and be honest about it.

Mr Marum: It is.

The Chair: I think the opinions are clear there.

Mr Grandmaître: I agree with you that section 265 of the Municipal Act does permit this kind of arrangement. You're asking us what we can do as politicians. Clearly, on this side of the fence, except for Mr Stockwell, we're saying, "Hey, take a second look, because too many people are affected by this kind of legislation."

We talked about timing, and I agree with you. When is the right time when you're talking about taxation or taxes? There's never a good time. But now that we've opened the Metro book of assessment, I think we should spend more time, come back to this committee with a more viable scheme. And I'm not saying five years from now, 10 years from now: There should be a time limit, maybe 12 months.

But what the government is trying to do is to put through this enabling legislation, accept this scheme, work it out for four years, and while people are paying taxes, let's have an impact study. I say, put a stop to it now. I feel sorry for people who pay more than their fair share of taxes, but I don't think this scheme will correct the inequities. What are your thoughts?

Mr Marum: Mr Grandmaître, you said the magic words somewhere in the middle; it was a very long question and I have small retention. You said something like, "Now that we have opened the books," and you implied that this had been done willingly. If my recollection is correct, you were the Minister of Revenue when I took your ministry, kicking and screaming, through the freedom of information exercise and they had the first public hearing. It was demanded of you that you open the books; there was nothing willing about it, as I recall. I believe we had to go to the full public hearing before you finally consented to give us the details. That's my recollection of the situation.

Mr Stockwell: I can remember that one too, Ben.

Mr Grandmaître: But at the time, you will agree with me, we were looking at section 63 of the Assessment Act.

Mr Marum: That's true. However, section 63 of the act has been looked at since 1970. We have got nowhere.

Mr Grandmaître: I wasn't here in 1970.

Mr Marum: And I hadn't even arrived in the country yet. But that's when they began to look at section 63 seriously for Metro. It has gone nowhere under section 63. It was thrown by your government to Metro: "You guys do it and give it back to us. We will be delighted to do your bidding. You take the shots for all of the bad stuff." Now Metro has bit the bullet and swallowed that difficult pill and it comes back here, and all of a sudden you're singing a different song and dancing a different tune. Isn't it strange?

The Chair: As we are approaching lunch, Mr Mammoliti for the last question. Can we have a third party member present? No.

Mr Mammoliti: I must add, and blaming a different government as well.

I was interested when you said that originally property tax was introduced as a form of wealth tax. I'm going to ask you to elaborate on that a little. But before that—he's not here right now, but every time David Turnbull opens his mouth I'm compelled to talk about his particular riding.

The Chair: In his absence, can we be charitable?

Mr Mammoliti: We will. I just want you to comment in terms of possible statistics for Mr Turnbull's riding that would enable us to better understand how many of his constituents might be taking advantage of a write-off at the end of the year in terms of their mortgage payments and their tax payments in his community. How many of them actually own businesses and run them out of their homes, perhaps, and are able to take advantage of our system at the end of the year? Would you be prepared to talk about that?

Mr Marum: In answer to your second question, I wouldn't have a clue. I'm a fairly simple human being who earns his living down there on Bay Street in the pink building and I don't know any of that stuff. I know what it is that I pay in taxes for my own property. I took a look at some of my neighbours', because they felt I knew more about it than they did, and that's basically how I got to know about my own neighbourhood. I'm a very simple person who lives a very uncomplicated lifestyle, but—

The Chair: I'm sorry, we have reached the conclusion of our time.

Mr Stockwell: He was answering the question.

Mr Marum: There was one portion to that question I was going to address, and I felt it was the more important portion: the wealth tax aspect. What I wanted to say to Mr Mammoliti is that at the present time throughout Metropolitan Toronto, every single building is being taxed as if it were a wealth tax. There can be no argument about this. Everybody is assessed on market value. Every single building, no matter where it is in Metro, is currently on market value. Unfortunately, the years of valuation vary.

What's happening here and what is proposed is that we take one year and do them all in the same year so that nobody has an advantage. That's all. So it's a wealth tax now. It's going to be no different. We're just going to make it even. That's all.

The Chair: Thank you very much for being with us this morning both before and after the vote.

The committee stands adjourned until 3:30 this afternoon.

The committee recessed at 1224.

AFTERNOON SITTING

The committee resumed at 1600.

CITIZENS FOR PROPERTY TAX REFORM

The Acting Chair (Mr Frank Miclash): Ladies and gentlemen, I would like to bring the committee to order and introduce you to the standing committee on social development. Our first presentation today is from the Citizens for Property Tax Reform. If you would like to come forward, please, might I have you identify yourselves once you're seated. You have 20 minutes for your presentation and I would request that you leave some time for questions at the end.

Mrs Midge Day: This is a joint deputation with Storm MacGregor. He is past president and one of the founders of Citizens for Property Tax Reform. My name is Midge Day and I am currently president of Citizens for Property Tax Reform. Storm is going to be the first presenter of our deputation.

Mr Storm MacGregor: Citizens for Property Tax Reform is a non-partisan, non-profit corporation. We are supported directly by some 2,500 households and more than 50 active ratepayer and tenant groups across Metro. Our last newsletter was distributed to 52,000 households within these groups that support our work for property tax reform and municipal funding that is not conditional upon market value reassessment.

We know that the property tax system we now have is not fair, but Metro's proposal is a prescription for disaster. It's a poison pill with some sugar coating and we're not going to swallow it. The bill that would give Metro the power to implement its MVA proposal is a very convoluted document and I don't think very many ordinary citizens know or understand what it really means. But when somebody is trying to sell you a bill of goods and the vendor has a problem giving you a warranty, then it's good business practice to check it out. The warranty we are looking for in Bill 94 and in Metro's MVA proposal is a guarantee that we are not getting full MVA and that we instead are getting real reform. We don't see that. All we see is a winding road to disaster.

I'll let Midge Day tell you about our problems with the MVA proposal and Bill 94.

Mrs Day: The rationale for market value reassessment propounded by Metro council was that the present system of property tax was out of date and basically unfair to citizens resident in Metropolitan Toronto whose homes had been built after the last reassessment, which occurred in 1953 when the regional government for Metropolitan Toronto was created.

Assessments within the individual municipalities comprising Metropolitan Toronto were based on 1940 market values. According to the 1986 report of the Metro Toronto Advisory Task Force on Assessment Reform, these values were supposed to be the same, but apparently this did not occur for houses built after 1953.

The present property tax system does, without doubt, include inequities which now need to be addressed. If in fact the objective of the province of Ontario, and more particularly Metro council, is true property tax reform, then I submit that MVA fails on all counts. Rather, it is a regressive property tax regime which will adversely impact in one way or another on all residents of Metropolitan Toronto, despite the fact that initially many residents may receive a property tax decrease.

I raise the question as to why the elected representatives of the residents of Metropolitan Toronto, together with their provincially elected representatives, would decide to impose an even more inequitable property tax system, promulgated as property tax reform, on their constituents. It simply makes no common sense and I suggest that common sense is one of the elements that is sadly lacking throughout this whole so-called property tax reform process. This is not the first step, as Metro council would have us believe, in addressing inequities that exist within the existing property tax system. This is merely the camel getting its nose in the tent out of the cold.

If the provincial government implements Metro council's current proposal, euphemistically titled "An Act to amend certain Acts to implement the interim reassessment plan of Metropolitan Toronto on a property class by property class basis" etc, only additional hardship can follow for a large number of residents of Metropolitan Toronto already impacted by the current recession, or depression if you prefer. Like any good military commander, the proponents of this interim assessment plan stress the decreases but neglect to mention the amounts involved. In some cases, the decreases are quite small, ranging from as little as $100 to $300, or about a 2% or 3% increase in the mill rate. Proponents of this current proposal will argue it is not MVA since businesses and residential properties will be paying only a percentage increase based on 1992 taxes. These increases under the proposal will range from 10% to 25% depending on the class, and the phase-in periods range from two to three years as well. On the surface, these proposed increases do not appear to be unreasonable, but of course the additional factor of the mill rate is not included in these increases; that is in addition to the increases.

This ploy reminds me of the Trojan Horse: harmless at first glance but, as the citizens of Troy learned, deadly in practice. The newspapers report that, currently, taxpayers of the city of Toronto are $624 million behind in meeting their current tax commitments. In these tough economic times where are residents to come up with the extra money required to pay increased taxes and other costs? If this proposed interim assessment plan is not MVA, then why did the provincial assessors update the assessment rolls using 1988 market values of properties in this process?

How can this government even consider approving the proposal submitted by Metro council without an economic impact study? Metro council has stated that the province turned down its request for such an impact study. Is this true?

How can a government which has always held itself out to represent the working people be so cavalier on an issue which is probably the most important issue ever to

strike the middle or working class? Their homes are, for most working people, their major asset, a refuge in their working and child-rearing days, a hedge against inflation and protection in their old age from living in poverty.

Minister Dave Cooke was quoted in the newspapers as stating that "We"—presumably the government—"did not like the implementation of full MVA at point of sale," and that this part of the plan would have to be debated again by Metro council. Naturally, expectations were that something would be included in the legislation to ensure this did not occur without some debate and consideration by the provincial government. So what happened? Bill 94 requires Metro council to pass a bylaw and Chairman Tonks is on the public record as stating the bylaw will be prepared as soon as the legislation becomes law. Further debate may not occur since, as Chairman Tonks states, "There is no need for any public hearings because the clause governing resale homes is just what council approved after weeks of debate and public hearings."

It is evident that Chairman Tonks is determined to proceed with this iniquitous provision and that in spite of Minister Cooke's comments nothing concrete has been done in Bill 94 to protect this most vulnerable portion of the residents of Metropolitan Toronto. Should Bill 94 become law without any protection against this point-of-sale implementation of MVA, then, I submit, home owners will be deprived of their inherent right under the Canadian Constitution to be treated fairly under the law. This provision is discriminatory in the extreme for home owners, most of whom are working people and not rich and who form the backbone of Canada and its economy. This provision must be deleted from the Metro council proposal.

The reassessment that would occur under MVA contributes even further to uncertainty and instability. Consider what happened recently in Kitchener when the first reassessment under MVA occurred. We should learn from the experiences of other jurisdictions, not rush blindly to duplicate their mistakes.

1610

As currently drafted, Bill 94 provides:

(1) Metro cannot change the protection caps on increases over the next five years without asking for provincial approval. Our recommendation: We request you delete the words "without asking for provincial approval" and guarantee that no changes will be made for that five-year period.

(2) Delete the provision regarding full implementation of market value assessment on residential properties at point of sale. This provision is not equitable and adversely impacts on home owners and no other property class under the interim assessment plan.

(3) Include a provision that Metro council must work and develop an alternative property tax plan and simply state that no intermediate changes, major or otherwise, can occur during the next five years. Delete "without provincial regulatory approval" and ensure there will be no changes.

The property tax working group is scheduled to report on its findings very shortly, within the next week or two I understand. As one of the panels of the Fair Tax Commission, their report will be included in its final report. As you know, this is the provincial body structured three years ago to look at methods of taxation, including property tax. We would ask that you not proceed with the Metro plan until this report is in and has been considered by the government.

Citizens for Property Tax Reform recommend that the government investigate alternative methods of property tax levied in other jurisdictions. This system should reduce if not eliminate appeals by making it simple and easy for the average person to understand. It should also remove the punitive and regressive element of location tax which exists under market value assessment. Kitchener has proved that on reassessment under MVA, first-time winners lose.

It's not only the economy that is causing the problems; there's a general malaise in the country that reflects a lack of consumer confidence in all levels of government. Just this week, in response to questions from the media, Premier Rae stated that in spite of inexperience and mistakes in judgement, his government could still govern responsibly.

Bill 94 and your response to the citizens of Ontario who are taking part in the public hearings provide you with a window of opportunity to narrow the credibility gap that currently exists between government and the people. Remove the inequities already outlined in Bill 94 and, in addition, change the property classification for apartment buildings to the same as that for residential property. It is monstrously unfair that tenants pay a premium for shelter through the property taxes that are levied on apartments. Why should tenants, who presumably are unable to afford a house, pay up to three months' rent and in some cases four and a half months' rent to cover property taxes on their apartments? This, I submit, is not only inequitable; it is a travesty and cries out for justice.

Mr MacGregor: As a closing comment, the bottom line, when all is said and done, is the fact that this property tax situation we have is a total mess. We keep hearing, "It's only a 10% increase and some are even getting a decrease, so what's the big deal?" The big deal is, that's not the point.

The point is that we're not getting the tax reform we've been asking for since this current MVA system was first implemented in 1953. The point is that we're totally ignoring the fact that half of Metro's population, the tenants, are being taxed two or three times higher than home owners and co-op members. The point is that we only have to look to Kitchener to see how devastating an update of MVA will be. If you don't know what happened in Kitchener earlier this year, I urge you to find out. It will make you wonder why the province is so eager to have Metro follow the smaller municipalities as a lead role.

At the same time, in the middle of this mess there is an opportunity. The Fair Tax Commission's working group on property taxes will be submitting a report in a few days. Let's take a look at that report now that we have gone to the trouble of putting it together. Who knows? Maybe it will be a good starting point for a study of alternatives to MVA. Let's look at property taxes and municipal financing in the proper context and then, a little more than a year from now, the Fair Tax Commission will have its final report ready, the overall total tax picture. It could very well be our framework for the future. Don't overlook that opportunity. Good news is hard to come by these days.

The Acting Chair: I thank you for your presentation. We'll begin our questioning with Ms Poole.

Ms Poole: Thank you very much for your presentation today. I know you've both worked very hard with Citizens for Property Tax Reform for a long time and are knowledgeable in the area.

One of the things the government has stated repeatedly is that this isn't a provincial responsibility; this is Metro's plan. In fact, a direct quote from what the minister told me when I taxed him as to why he refused to appear before our committee was, "This is Metro's legislation, not our legislation."

The impression I get from virtually everybody who's appeared before us is that they believe it is a provincial responsibility, that assessment is a provincial responsibility, and that in fact the province has not only the right but also the duty to amend a plan that doesn't conform with anything else throughout the province. Would you like to comment on that?

Mrs Day: As I understand it, the reassessment was done with provincial assessors, which would seem to indicate that it is a provincial responsibility. Otherwise, why do we have some 7,000 of them working for the Ministry of Revenue? We could save that money. The government wants to cut budgets. I'd suggest they get rid of these assessors then if this is not a provincial responsibility.

Even this bill says the minister has the right to address inequities that exist, and certainly the inequities to the tenants of apartment buildings are overwhelming, paying three and a half to four months' rent in property tax, and most of them totally unaware that it's even included.

It is Metro's legislation, but if it's strictly Metro's and the province has nothing to do with it, then why did it submit it to the province? That would be rather ridiculous.

Mr MacGregor: If it's not a provincial responsibility, what are we doing here?

Ms Poole: The other contradictory statement the minister made, and that was actually perpetuated by his parliamentary assistant, was, "This is not an MVA plan." Again, that seems to be one thing that people are agreeing on when they come before us: They believe it is a market value plan. Could you comment on that?

Mrs Day: I guess it's much like my reference to the Trojan horse, or, as Mary Poppins said, "A spoonful of sugar makes the medicine go down." It's later that you find out what's actually going to happen. Metro council cannot bind future councils, so in two years there's nothing to prevent it from taking the caps off. If there's a change in this government, there's nothing to prevent a future government from changing the law as well. So we want to know what we're getting now, not after the fact. We've had enough unpleasant surprises.

Ms Poole: And you want that protection, the protection of knowing that homes at the point of sale will not go to full market value, that in fact the government cannot amend the plan at the request of Metro. I don't think it's too much to ask for those guarantees.

I just wanted to let you know that I will be bringing forward an amendment which would provide that the protective cap stays on residential properties at the point of sale, so now it will be squarely back in the government's court whether it chooses to accept this amendment. They do have the majority.

But my understanding from Metro's interim plan is that the total cost of removing the point-of-sale provision would be $6 million, which on a $4.4-billion budget is nothing. So I don't see how the government could argue that it interferes with Metro's plan when it is such an infinitesimal amount. Would you like to comment on that particular aspect?

Mrs Day: I guess it depends on what drove the government in the first place to approach Metro about introducing market value assessment in this very volatile region. I think the Metro area is unique in Ontario. It's considered to be the engine that runs it. If they don't want to lose that $6 million, maybe it's just part of the tax grab that was built into the system anyway.

The Acting Chair: Mr Turnbull, please.

Mr Turnbull: Professor Day, could you tell us what you teach?

Mrs Day: I teach law clerks.

Mr Turnbull: But you teach economics, am I not correct?

Mrs Day: No, I don't teach economics; only in the areas of law.

Mr Turnbull: The impact study that was referred to before: In any teaching that you would give people, would you suggest that it is appropriate that such sweeping changes be brought in without an impact study? Would it be prudent?

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Mrs Day: I wouldn't think so, because how can anyone who is responsible for enacting such a law assess the impact on the average person by those massive, sweeping changes unless you have some facts to base it on? It's not sufficient to accept what Metro puts in an interim assessment plan, and neither, in my opinion, is it acceptable for the provincial government to say, "This is Metro's thing; they have the authority and we can't interfere."

As I understand it, Metro regional government was created by the provincial government. In fact, one of the proponents of MVA said to me, when I asked him why he was supporting this system and insisting on it when he was busy telling everyone how unfair market value assessment is, which is the current system we're under, his response was, "Well, we're creatures of the Ontario government and they could disband us at any time." If that statement's true, then I submit to the members of the government it is your responsibility and you're the ones who are going to bear the brunt of what happens, no matter how you try to distance yourself from the problem.

Mr Turnbull: Storm?

Mr MacGregor: I was just going to say, we made a video this summer that deals with the impact MVA would have on Metro. It deals with the business community, the home owners, the tenants. We would like to make it available

to the committee if it's interested. I have a couple of copies with me.

Mr Turnbull: Yes. It's an excellent video, and I would suggest that this committee should review that video.

Mrs Day: Yes, we have copies with us.

Mr Turnbull: It would seem unreasonable, given the fact that the introduction of the report of the Fair Tax Commission property tax panel is immediately pending—and the leaked information shows it's fairly critical of Metro's MVA proposal—that this government is pushing this through at this time without reviewing the report. Could you comment on that?

Mrs Day: It seems to me that if the government structured this body to look at taxation and to come back with a report, it's implied that the theory is it was going to listen to it. Why would you rush to implement the interim assessment plan before you've even heard what your own panel, your working group, has to say?

The Acting Chair: Mr Turnbull, in the interests of time we're going to have to move on, so maybe you could wrap up.

Mr Turnbull: Yes. You pointed to a very important point, and that is the unfair taxation of apartment units. It's something which I've spoken on quite often before. Typically, we have a system which penalizes tenants to the extent of two and a half to three times the amount residents would be taxed at. I'm hard pressed to understand why a government which claims to be supportive of tenants would not correct this historic imbalance.

Mrs Day: I think we agree with that. The suburbs, Scarborough in particular, have been complaining and saying that they've been overpaying their share of taxes for years and subsidizing the people in the city of Toronto. I submit to the government it's not the people of the city of Toronto, it's the system that's wrong. I don't think the politicians at the Metro level should be pitting one municipality against another. If in fact the suburbs really believe that they've been overpaying, then how about the tenants in the apartment buildings? If anyone's been overpaying, they have, even more than suburban dwellers.

I would remind the government that those people who live in Scarborough chose to do so, and when they moved out there they knew what the taxes were going to be. There were no hidden costs, because that would all come in at the time they purchased their property, and we all have faced increases as expenses of government rise. One presenter at Metro council was complaining because she paid $3,000 in taxes in Scarborough for a three-bedroom house. I pointed out that I pay more than that, and I have a little bungalow with 1,000 square feet that's 47 years old. I suspect that the properties in Scarborough are much more up to date and certainly larger.

The Acting Chair: Mr Mills, please.

Mr Mills: Quickly, a couple of points. I believe you mentioned about taking the caps off. They can't take the caps off without the approval of the province, for one. Then there was your concern about equity, and it's a legitimate concern, but what you're asking is for us to undo, or Metro to undo, 40 years of, what shall I say?, inequities overnight.

The reason why I think it's understandable that Metro is not doing this is that if we chose to do this, to combine all classes of residential property, it would mean an increase in taxes on single-family homes of 29% and it will result in a decrease of all residential properties with seven or more units of 65%. You can't address those equities in one fell swoop. It took 40 years to get here. That's why there's some reluctance to address it in the way that you suggest.

Mr Turnbull: Why did your members campaign against it, then?

Mr Mills: I'm not getting involved with you.

The Acting Chair: Mr Mills has the floor.

Mr Mills: I'm not going to engage in political debate here. I'm just trying to come to grips with the concerns of the presenters.

The Acting Chair: I would like to thank you for your presentation.

CN REAL ESTATE

The Acting Chair: Our next presentation will by the CN Real Estate people. If they would come forward, please. Welcome to the committee this afternoon. Could I get you to identify yourself, please. You have 20 minutes. If you'd like to leave some time for questions towards the end, we'd appreciate it.

Mr Ron Ditchburn: Good afternoon. My name is Ron Ditchburn. I am manager of property tax with CN Real Estate and in this role I oversee property tax matters for Canadian National Railways in Ontario. I have 20 years' experience in the field of property assessment and taxation, formerly as an assessor with the provincial assessment authority in Toronto, and for the last eight years with CN. I was recently a member of the property tax working group of Ontario's Fair Tax Commission.

I am responsible for assessment and taxes on all of CN's holdings in Ontario. As you are aware, the railway rights-of-way issue was addressed in a presentation earlier today. I'm here today to raise grave concerns with respect to the proposed legislation in its present form, particularly with respect to vacant lands. I will suggest some improvements to the bill under review.

I have structured my comments into three areas: First, the proposed Metropolitan Toronto market value assessment plan generally and the inherent inequity facing owners of land in the "other" category; second, the impact of Metro's plan on CN Real Estate holdings; and, third, CN Real Estate's conclusions and recommendations.

I would like to begin with a review of the proposed Metro plan and the serious inequity facing owners of land in the "other" category. The initial goal or concept in revising the assessment base in Metro Toronto was to create a fair and equitable taxation system based on a market value which could be understood by the public. The current proposal does not succeed in achieving these goals for the following reasons.

While the plan provides capping provisions against full tax increases for residential, commercial and industrial properties, it creates an "other" category of property, including vacant land, railway rights of way and pipelines, which is left unprotected. This is discriminatory, as Metro has provided no logical basis for such an action. The category "other" arose as a compromise solution, a last-minute bargaining tool to gain majority consensus. The burden of financing the shortfall as a result of capping provisions in the order of magnitude of approximately $80 million has been placed on the property in the "other" category. This creates inequity and unfairness.

Including pipelines in the "other" category is a red herring, as they will experience little, if any, overall tax impact due to their benefiting from their own class factor. This leaves the approximately $80 million in tax burden caused by full market assessment to be borne by two remaining types of property in the "other" category: vacant land and railway rights of way.

The extension of the capping provisions to land parcels which are presently occupied for interim business purposes and subject to business taxes results in further discrimination against holders of similar property that is subject to zoning and bylaws that do not permit interim uses. The inequitable application of capping provisions undermines the basic valuation process and thereby deprives owners of vacant land of a fair review at an assessment appeals court.

This situation results in owners of similarly overassessed but tax-capped, used vacant land, such as a parking lot, having little incentive to appeal their assessments. Therefore, the court test of being assessed in accordance with similar land in the neighbourhood will become biased and prejudicial against owners of uncapped lands.

There has been no analysis or consideration of the short- or long-term effects of the impact of the full tax increases on vacant lands and resulting ability to develop these lands. The ability of land owners to pay a high carrying cost on land is highly questionable. I need not remind the committee of the present financial troubles of real estate companies such as Campeau, Olympia and York and Bramalea.

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Much has been said on the use of 1988 as a base year and that it really doesn't matter. It is argued that you will always have variances no matter what year you use. However, the choice of a base year does matter. Let me illustrate; 1988 was a very good year for land owners. But what are the realities of 1992? According to statistics provided to CN Real Estate by Royal LePage, land values have dropped between 40% and 60% in value while commercial developed properties have dropped 20% to 30%. Thus the category taxed the most has also lost the most in value.

Given my experience as an assessor and property tax manager, I cannot imagine how the proposals before you will be administered or by whom. For example, if vacant land with no capping as of January 1, 1993, is subsequently leased for a business purpose, will capping then apply? Will the cap be lifted if a tenant vacates and time lapses before finding a new tenant? These questions must be addressed to determine the viability of the plan to permit corporate planning and, I think, to permit proper municipal budgeting.

There are many other questions of this type, all triggered by the apparent haste of Metro council. The most straightforward and equitable method of avoiding this potential administrative quagmire is to eliminate the discriminatory treatment of the other category and apply the same rules as for commercial industrial properties.

I would like to indicate to you how Metro's proposed plan affects the holdings of CN and its real estate division, CN Real Estate. The 1993 taxes on our vacant lands are proposed to increase from approximately $1 million to approximately $18 million, for an increase of over 1,500%. I'm sure you will agree that such an increase is unrealistic. The major impact of this increase is on the western portion of the railway lands, known as CityPlace. Yes, CityPlace, that sterile-looking piece of land stretching from the CN Tower to Bathurst Street.

In order to illustrate the counterproductive effect of inconsistent planning and taxation policies of different governments and their discriminatory effect on CN Real Estate, I would like to briefly revisit what led to the sterility. CN Real Estate had an agreement with the city, a municipal government. Based on that agreement, CN was able to attract two major potential tenants, Royal Trust and Labatt's. The city reneged on its agreement and placed an interim holding bylaw on everything, thus no buildings and no tenants. The result: vacant land. Metro Toronto now proposes a reassessment plan. Guess who the chosen target is? Vacant land. It appears to be you're damned if you do and you're damned if you don't or, more politely, a catch-22.

These CityPlace lands are in the process of being approved for future development, and due to municipal bylaws, they are restricted from interim uses that would qualify for capping under the plan. Development lands in the vicinity with full development rights and the ability to lease for parking will be capped. I think you will agree that this situation is absurd, where the taxes on land still requiring final land use approvals are 10 times higher than on land that has full development rights. When you consider further that one property is generating an income and passing taxes through to a tenant, the proposed exclusion of vacant lands from capping protection truly makes no sense at all.

CN Real Estate has already invested in excess of $100 million in infrastructure related to the CityPlace lands. This infrastructure is in place to serve land that is currently under the holding designation. More investment will be required, although you will appreciate that CN Real Estate will not invest any more money without being assured of its development rights. Again, I ask that you consider the situation of the enormous impact full tax increases will have on the ability to finance infrastructure, particularly when the returns on investment may be many years away.

CN recognizes the need for a fair and equitable system of assessment and taxation. Unfortunately, the interim plan does not meet the test of fairness and equity and will create an administrative nightmare understood by no one but its authors. The plan discriminates against certain classes of property through the inequitable capping procedures and,

as a result, creates inequities and unfairness that will severely impact the financial position of CN and will quickly erode its ability to contribute to the economic growth of Metropolitan Toronto and indeed Ontario. It indicates an 1980s mentality without regard to the economic realities of the 1990s in assuming that corporations are speculating with land holdings and can absorb such severe property tax increases without suffering major setbacks.

I would suggest that the plan is so deficient that there will be no certainty as to what the municipalities, which must count on this plan to base for their revenue, will have once the dust settles. I find it a dangerous precedent to allow a regional government, whose share of taxes is approximately 27%, to decide arbitrarily the winners and losers, with little or no knowledge of the social and economic effects of the proposed plan.

The plan should be deferred to determine its short and long-term social and economic effects, in conjunction with affected parties or, at the very least, the capping provision should be extended to the class called "other," which is severely discriminated against in the current proposal.

Mr Grandmaître: If I can go back to subsection 58(3) of the Assessment Act, this section authorizes reassessment of properties with a more current valuation, a valuation that is for purposes of municipal taxation. It prevents the shifting of the tax burden from one class of property to another. Don't you think by having CN classified 4 to fit in the fourth category—it's called the "other property" class—by creating this class, there will be a shifting from one class to another?

Mr Ditchburn: There certainly will be a shift by the creation of "other." As I say, the number I have seen is to the tune of $80 million. CN overall will be paying an increase of some $45 million in Metro. Talking to my counterparts in a similar business, they are experiencing the same, so it must be going somewhere.

Mr Grandmaître: If subsection 58(3) of the Assessment Act prevents this, don't you think CN would have a good day in court if it were to challenge this?

Mr Ditchburn: I believe lawyers will be making a lot of money over the next five years, yes.

Mr Grandmaître: Is CN contemplating that possibility?

Mr Ditchburn: Because of the variety of holdings that we have, we certainly will be appealing every property we own within Metro Toronto.

Mr Grandmaître: I'm not talking about appealing your future taxes, I'm talking about subsection 58(3) of the Assessment Act.

Mr Ditchburn: We will likely—

Mr Grandmaître: Likely?

Mr Ditchburn: Likely.

Mr Grandmaître: Thank you.

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Mr Turnbull: Could I just confirm with you, as somebody with considerable experience in this field, my understanding of the craziness of this scheme? Vacant land gets the full increase, whereas if a dilapidated building were on the land, it would be capped at 25%. Is that correct?

Mr Ditchburn: That is my understanding of the proposal as it now stands.

Mr Turnbull: You could have two identical-sized development lots next to each other, one with a dilapidated building on it and the other one with nothing on it. They will be treated completely differently in terms of the approach to taxation.

Mr Ditchburn: That is my understanding. I'm trying to draw the comparison between a piece of vacant land which is prevented by city bylaws from use as parking and a piece of land right next door which has been approved for development, but the developer, due to economic circumstances, will not develop and is allowed to have parking. Then there will be a cap of 10%. So of two lots paying, say, $50,000 an acre in land, one would go up to $55,000. In the case of CN Real Estate, the lands we hold without a tenant would go to $500,000, $600,000.

Mr Turnbull: So without even a building, two apparently vacant lots, one being used for parking and one disallowed for use as parking, will have completely different treatment.

Mr Ditchburn: That's true.

Mr Turnbull: There's another peculiarity I've seen. Some of my constituents have fairly large lots which drop down into a ravine. It has been deemed by the assessors that these are severable lots. They are not severed, they are not serviced, they don't have a street to them, yet they have deemed that a portion of the garden is severable and therefore will be treated as a development lot. Do you know of that issue?

Mr Ditchburn: I'm not aware of that issue. Certainly, it sounds like something for the courts.

Mr Turnbull: Yes, absolutely. The whole problem we have here is a plan cooked up in the last two hours of debate of Metro which violates the aspects of section 58 of the Assessment Act. I have in my possession a document developed by Metro council quite clearly indicating a shift of some $70 million of funds away from residential on to a burden on the other category. It seems to me the courts are going to be absolutely filled, as you've suggested.

Just turning to your experience when you were with the revenue department—in what capacity?

Mr Ditchburn: As a property assessor.

Mr Turnbull: One of the complaints the Provincial Auditor has come up with—I may have it here. No, I don't have it with me. The Provincial Auditor, just yesterday or the day before, came out with a problem that too often assessors do a windscreen assessment. It was agreed by 70% of the provincial assessors that this was a procedure they didn't think was appropriate, yet it was identified that fully 30% of the assessments done are still done in this way. Can you comment on that from your experience?

Mr Ditchburn: I've been away from the assessment authority for some eight years. The experience I had relates back to the early 1980s when we were going out and

attempting to reassess some of the renovated properties in downtown Toronto and pretty well ran out—

Ms Poole: Aha, you're one of the guilty parties.

Mr Ditchburn: At that time windshielding, as you call it, was a definite no-no. You visited the property one time during the day, once at night and you left what they called a pink form for the people to get back to you. You certainly didn't just pass by and say, "It looks something like next door, so we'll just call it the same as next door."

The Acting Chair: Mr Turnbull, we'll have to move on. Mr Mills, please.

Mr Mills: The issue of railway rights of way and other concerns are being addressed at a meeting that's being arranged between the Minister of Revenue and the Minister of Transportation. That meeting is going to take place and those rights and other concerns will be fully discussed at that time, for your information.

Mr Ditchburn: Thank you very much. I'm happy to hear that.

Ms Poole: I have a question of clarification. Mr Ditchburn, you were here earlier with the CN presentation. There was one technical point I wasn't clear on. The railway right of ways are not capped. Vacant land is not capped. What about the marshalling yards and the storage yards; are they treated as commercial property or vacant lands?

Mr Ditchburn: No. The analysis I received, which is Metro's indication, certainly shows no caps. What was shown there was, if the cap applied, where would you go to? The only time we receive any caps is if we have a tenant. But for ourselves, no, there is no cap whatsoever.

Ms Poole: Basically, for all of CN's property, whether it be railway rights of way or vacant lands or your various yards, to the best of your knowledge, for Metro's plan none of that is capped.

Mr Ditchburn: The data I've seen indicates no. If it is anything to even deal with the railway, it doesn't benefit from a cap.

The Acting Chair (Mr Wiseman): Thank you very much for your presentation here today.

TRANSPORTATION-COMMUNICATIONS UNION

The Acting Chair: Our next presenter will be the Transportation-Communications Union. You have 20 minutes.

Mr Jack Boyce: My name is Jack Boyce. I am the national president of the Transportation-Communications Union, and the executive vice-president of the union also.

Mr Chairman and members of the committee, we appreciate this opportunity to make our views known on this very vital economic issue. The union represents 15,000 people across Canada who are employed in the transportation and communications industries. Included in our membership are the 500 men and women who work in Metropolitan Toronto as clerks and warehouse personnel for CP Rail.

We are very concerned about the impact of the market value assessment plan adopted by the Metropolitan Toronto Council. Our members are worried that if this plan is implemented as is, it will be another major blow to an industry that is already struggling in the face of a recession.

Let us start by examining the exact implications for the railways in Metropolitan Toronto. In the current tax year, CP pays $5.6 million and CN pays $11.5 million in municipal taxes. Upon implementation of the market value assessment plan as proposed, CP and CN would have to pay $18.72 million and $39.1 million respectively. In the case of CP, that would mean an increase of $12.86 million. CN would have to pay an additional $27.6 million. These are staggering numbers.

The railways are being threatened with these huge increases because their properties are being assessed on the basis of value of adjacent lands. If a right of way passes through an industrial area it is assessed as such. If it passes through an expensive residential area, it is also assessed accordingly.

The unfairness and the illogic of this is obvious. Railway rights of way, which represent the vast majority of CP and CN holdings in Metropolitan Toronto, are generally 110 feet wide. There is little future development potential in this kind of parcel of land. We find it grossly unjust that these lands would be taxed on the same basis as adjacent lands that have been assembled and developed in the normal manner.

We also believe that the railways have been treated unfairly in the implementation recommendations of the market value plan.

Metropolitan Toronto Council has decided that, in order to protect businesses that would otherwise be hit with tax increases that they simply could not afford and still survive, there will be a 25% cap on any increases in assessment. Further, any increase would be phased in over the three years—at 10%, 10% and 5%.

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But railways and Hydro facilities are exempt from this protection. We see no good reason why the cap on increases should not apply to all businesses. The railways are under severe financial strain, just like any other business. CP, for example, is facing the same, if not worse, economic difficulties as are other companies operating in Metropolitan Toronto. If this market value assessment plan is to go ahead, then the railways should be treated the same as every other business and should be entitled to the same protection from financial ruin. We would like the committee to seriously consider the consequences of market value assessment as proposed by Metropolitan Toronto.

CP employs 6,000 people in Ontario and CN provides jobs for another 9,000. If the railways are hit with the tax increases this plan proposes, all these jobs are at risk. This is not a bluff by the company or our union. In the case of CP, you are no doubt aware that the company recently decided to shut down its maritime operations. This was a case of economic reality simply overwhelming the company's ability to conduct business profitably. CP could no longer continue with an operating loss which in the final year was $13 million. If market value goes ahead as is, CP's taxes will increase by $12.86 million. We plead with you to understand the relevance of this comparison.

As a union, we are also concerned about the environment. If the role that the railways play in the transportation infrastructure is further undermined, the negative impact on the road network will be severe. The movement of people and goods will be shifted from a relatively clean, private right-of-way system to public highways that are already overloaded and increasingly in need of maintenance and upgrading. This does not make physical sense, nor does it make sense for the environment.

Continuing on the subject of rail versus roads, we see a further injustice in terms of local taxation. Railways must pay a direct tax on properties utilized for their particular mode of transportation, whereas users of highways are not required to pay a direct tax accordingly. It is important to note that rail is the only transportation mode to be discriminated against in this fashion. This is a long-standing inequity that, rather than being addressed for the purpose of righting a wrong, would be made worse if Metropolitan Toronto's plan is implemented.

Our union supports the concept of affordable public transit. Metropolitan Toronto's market value assessment plan attacks this concept. In the case of GO Transit, which serves the Metropolitan Toronto area and beyond, existing agreements with the railways will mean that $13 million of the railway's tax increase will automatically be passed on to the commuter system. This will mean fare increases for passengers, which will lead to declining ridership.

Simply put, we find the proposal before you to be fundamentally flawed. Our recommendations to your committee is that consideration of Metropolitan Toronto's market value assessment plan be deferred until (1) Metropolitan Toronto conducts an economic impact study of the effects of its plan and (2) the Fair Tax Commission reports its findings with respect to this issue.

We believe we have presented you with such information that the committee will recommend rejection of Metropolitan Toronto's current proposal. Thank you very much.

Mr Mammoliti: I don't want you to take what I'm about to say out of context and think I haven't listened, because I'm very sympathetic to the railway and to the union and the workers. But over the last two years, I've experienced something personal here that was really frustrating. In this particular case we have Metro, which has made a decision; in some eyes a bad decision and in others a good decision. Those who are saying it's a bad decision are saying it's a bad decision because either their taxes are going up or jobs are going to be lost through this.

That's a decision that was made at Metro, and over the last two years I've witnessed the federal government making all kinds of terrible decisions that are costing jobs and increasing taxes. People continually come to the provincial government and say, "Bob Rae, what are you going to do about this?" It's very frustrating. When Bob says it's Metro council that made this decision or the federal government that made a decision, people have a hard time understanding that Bob Rae can't get them out of every mess.

That's not to say we don't want to, and it's not to say we've got our ears closed. It's to say that there are three different levels of government, and when those different levels of government make mistakes, we're asking people to channel their frustration and their dissatisfaction to those levels of government.

I understand why you're here today. I understand that you're looking to save jobs. But I had to make this comment, because it's very frustrating to me, sitting as part of this government and seeing a lot of the people in Ontario taking shots at the provincial government and expecting the provincial government to get them out of every kind of bind. It's very frustrating.

Now, in terms of caps and the class in which the railways are defined, Metro has the capability of changing that class. We've got that provision within this piece of legislation to allow it to do that. What I'm asking you to do is to go back to them and say: "They've done it. They've listened. The provision is there; it's open. You can change it. Why don't you change it?" Are you prepared to go back to Metro and do that?

Mr Boyce: We'll do that if we have to.

Mr Mammoliti: The legislation is open that way. You can do that.

Mr Boyce: One thing I want to make clear to you is that we didn't come here today asking for any money. We're asking you here to save some jobs. Jobs are not going to cost you anything. Don't get the idea that we came in here asking Bob Rae for dough. We're not asking for any dough. We're here to ask you not to pass legislation that would lose a lot of jobs. That's what we're asking you.

Ms Poole: Thank you for your presentation today. I just wanted to get a little background on your particular union. It says transportation-communications. Would you, for instance, represent truckers?

Mr Boyce: Yes.

Ms Poole: So you not only represent the railway workers; it's all aspects of transportation?

Mr Boyce: That's correct.

Ms Poole: Because one of the things we've been told by a number of the presenters on behalf of the railways is that the railways are becoming increasingly uncompetitive, and this basically would be the straw that breaks the camel's back.

Mr Boyce: That's right. Today I'm representing the railway people.

Ms Poole: But tomorrow—

Mr Boyce: I could be representing the truckers tomorrow; you're right.

Ms Poole: You've talked about the loss of jobs, and certainly that's a theme we've heard from a number of the presenters. Do you have any estimates of how many jobs you think or fear might be lost if some relief is not given to the railways?

Mr Boyce: I really can't tell you just how many jobs, but you can rest assured there will be some, quite a few. I really can't give you an estimate on that, no.

Ms Poole: That's definitely the message we got from the union people who came with CN.

Mr Boyce: Definitely. You know, CP is not a company to lose money. They're in there to make a dollar, and

if they don't make a dollar, they're going to find ways to get the dollar back.

Ms Poole: One last question. The provincial government is recommending that you go back to Metro once they pass this legislation. They're basically washing their hands of this and saying: "It's Metro's plan, Metro's responsibility, Metro's problem. Go back to Metro. What we're going to do is allow you to go back to Metro." Do you place any faith in Metro council changing its mind on this?

Mr Boyce: I'm a little concerned. I don't know what I'm doing here. Are we wasting time here? We come in here just for people to hear us, and it's already a fait accompli? Is that what we're saying?

Ms Poole: I sincerely hope that is not true. We have had a number of presenters, as I mentioned, from the various aspects of the railway industry, and the message we've gotten has been very strong from each one of them. When I've asked that question of each one of them, they've said no, that they don't place any credence in that, because basically Metro needs the money from the railway rights of way and the vacant lands in order to make its plan work.

So I guess the message I can give to you as to whether your presentation is effective is I can you tell that you can't give up and, secondly, this government has said that it is very concerned not only about job creation but about saving job losses. I think it's becoming increasingly clear that if this proceeds, there will be job losses.

Mr Boyce: No question.

Ms Poole: So your message is getting across to them. Whether they act on it is up to them.

Mr Boyce: We sure hope so, because we can't stand to lose very many more.

Mr Turnbull: Thank you for your presentation. It's very clear under the British North America Act that municipalities are creatures of the province. As well as that, the assessment legislation clearly prohibits shift of burden from one class of property to the other. It's quite evident that is what we're seeing here. Since the municipalities are creatures of the province, it would be reasonable that at a time when we have before us enabling legislation, the province, if it sees problems with it and has clearly identified them, should be acting upon them. We pushed very hard to get these public hearings in the hope that the presentations would change the government's mind.

There are several cabinet ministers who campaigned in the last election as being against market value assessment. The whole point is that if they campaigned on that platform, why are they not delivering now? If now they're saying, "Oh, well, we have to give a municipality what it asks for," why did they campaign on that platform? I very much hope you can make sure that the government understands, be it members of this committee or the Premier or the Minister of Municipal Affairs, who has refused to come and answer questions at this committee, as you may be aware. I don't know. We've asked on several occasions that he attend to answer questions. He has attended but refused to answer questions. It is vital that you get to him at the moment and explain just what is going to happen.

We hear that they're going to look at this particular class, but there are many faults with this plan and it is up to the government to take the requisite action. They have the power. Above all, the NDP has always been a very interventionist group of people. They have always screamed for prior governments, both Liberal and Conservative, to interfere in municipal matters. Now it's their turn. We're saying this is going to harm jobs, this is going to lose jobs. They have to take action, and you must hold them accountable for this.

Mr Boyce: Just as an aside, I've written a personal letter to Bob Rae advising him of our problems. I hope he's going to answer me. I'm pretty sure he will.

Mr Turnbull: You must have action now, before this committee stops hearing.

Mr Boyce: Yes, I know. We don't have much time.

Mr Turnbull: Otherwise, it's going to go to third reading.

Mr Boyce: When is the third reading, anyway? It could be any time?

Mr Turnbull: Next week is the last week we sit and the government is determined to push this through next week, even before the Fair Tax Commission report comes out, which—we've seen the drafts of it—is quite damning of Metro's MVA proposals.

The Acting Chair: Mr Mills, please.

Mr Mills: I'd just like to recommend, gentlemen, that both those people there who are telling the NDP to listen have members in their parties who also supported this bill at second reading, so perhaps they should be talking to their own members as well.

Mr Turnbull: All of your people supported it.

Mr Mills: I have the floor. The railway right of way is a problem across the province; it's not only in Metro. That is why the Minister of Transportation and the Minister of Revenue are going to sit down with railway officials to discuss the whole scope of this.

Mr Turnbull: Just for your information, every single one of the NDP voted for this.

Mr Mammoliti: On a point of clarification, Mr Chair: Mr Turnbull had said that it's the NDP that is pushing this through. It's important to note that Metro's proposal is very clear in terms of this passing before the new year, before January 1. If the member across here, Mr Turnbull, would do his homework, he'll know that we only have another week left in this session before the new year. It's not so much the NDP that is pushing it through.

Mr Turnbull: You don't need homework—

The Acting Chair: Excuse me, Mr Turnbull. Mr Mammoliti has the floor.

Mr Mammoliti: It's very misleading, Mr Chair, and I think it's a little bit unfair.

Mr Turnbull: I do, and—

Mr Mammoliti: Can somebody put a sock in his mouth, maybe? Would that help? I don't know.

The Acting Chair: Go ahead, Mr Mammoliti.

Mr Mammoliti: I've said my bit, Mr Chair.

The Acting Chair: Thank you very much, Mr Mammoliti. Gentlemen, thank you very much for your contribution to the committee.

Ladies and gentlemen, we'll have to break. As you know, we're being called to the House for a vote. I'm going to recess the committee for 10 minutes.

The committee recessed at 1705 and resumed at 1722.

TAXPAYERS COALITION ONTARIO

The Acting Chair: Ladies and gentlemen, I'd like to reconvene the standing committee on social development. At this time we have the Taxpayers Coalition Ontario in front of us. Sir, if you would identify yourself, please.

Mr Paul Pagnuelo: I'm Paul Pagnuelo. I'm vice-president and director, eastern region, for the Taxpayers Coalition Ontario.

The Acting Chair: Sir, you have 20 minutes for your presentation. If you would like to leave some time for questioning towards the end.

Mr Pagnuelo: Mr Chairman, committee members, I want to believe that my remarks and those of other delegations appearing before you will truly be considered and reflected in the report your committee will be presenting to the Legislature. I also want to believe that all members of the Legislature will approach third reading of Bill 94 with an open mind and no preconceived positions and that the recommendations of your report will have a real bearing on their final decision.

The reason for my scepticism is due to recent media reports which quote Municipal Affairs Minister Dave Cooke as saying the government wants Metro's market value assessment plan approved by December 10 so tax increases and decreases can be implemented by Metro next year. If the minister's remarks have been reported accurately, then I fear that the government's mind has already been made up on this issue. If that's the case, then my time, your time and taxpayers' dollars are all being wasted by these public hearings. That would be a travesty of democracy. I trust that the minister has somehow been misquoted and that "public consultation" means the government of Ontario is prepared to truly hear what people have to say, without their fingers once again being stuck in their ears.

As we all know, property taxes pay for municipal, regional and school board services. The assessment system now in place dates back to 1740. If it were to be invented today, some 250 years later, market value surely would not be chosen as the standard for assessment. It's important to realize that the real issue facing Metro Toronto is not market value assessment as such but one of reform.

The upcoming decision by the Ontario Legislature will determine a landmark issue, with significant consequences affecting every aspect of life in Metro. The debate now going on about Metro's market value assessment plan has occurred numerous times before in other parts of this province, but the common arguments used either in support of or in opposition to it are always based on emotion of the pocketbook and not on logic.

Businesses in some parts of the province have claimed it would be their economic salvation because it would lower their taxes. Others elsewhere argue that MVA will ruin them financially because of skyrocketing tax hikes. The same pattern holds true with residential property owners. In all cases, the arguments are based on the winner-loser syndrome: those who will pay less arguing in favour, and those who will pay more arguing solidly against. So who's right?

Close examination will show there's nothing basic about market value assessment. In fact, it is a complex method and a terribly inequitable one. Its theory of fairness is fundamentally flawed in several respects. In deciding whether MVA should be adopted by Metro or, for that matter, anywhere else in the province of Ontario, it should be tested against some of the basic principles on which a fair and equitable assessment system should be based.

How many taxpayers or, for that matter, elected officials, including those of you here today, understand the mechanics of how market value assessment is calculated? How many understand the two options available under the Assessment Act?

The way in which provincial assessors determine market values means that even if you bought your home in the year of assessment, it is unlikely that the price paid would be considered to be your market value for assessment purposes. Because there are several numbers which can be manipulated, some of which are highly subjective on the part of the assessor, many opportunities exist for significant error. Property values are established using location, cost of replacement, rental value, sale value and any other circumstances affecting value. The long delays which occur between the base year and the time when the assessment is actually applied make errors all the more likely and more difficult to prove or to refute.

Appeal boards are really nothing more than reaffirmation boards, as they rarely adjust assessed market value because of the inability of property owners to really understand or deal with the MVA process in their own defence. The MVA process involves complex formulae and subjective judgement, so it fails the first test.

Stability exists under the present system to the extent that the assessment of the property is fixed unless the owner chooses to make assessable capital improvements. This is the only element of the property tax bill which is entirely under the control of the individual taxpayer.

Although taxpayers can't control the mill rates—at least not yet—generally they increase in line with other costs or at a predictable, fixed rate, and they can plan their finances accordingly. Under MVA, the property owner does not have any control over external forces which may influence the assessed value of the property. Rapid growth, a speculative market, changing demographics, rezoning, inflation, low interest rates and government incentives are just some of the factors which can dramatically increase the market values of properties in a particular area. All are beyond the control of the property owner. Unable to plan for or predict changes to their assessment, property owners face significant uncertainty in anticipating whether they

would be able to afford to keep a particular property or stay in business.

MVA is highly volatile. It's a moving target leading to large and abrupt tax changes every four to five years, so it fails the second test.

The system must be reasonable to the taxpayer, but because MVA holds no relationship between the property owner's tax burden and his or her demands for municipal, regional or school board services, it also fails the third test.

To suggest that ability should not be a consideration and that social rebate programs available to seniors and low-income earners or a phased-in approach or a cap would alleviate the problem of affordability is not only naïve, it's irresponsible. Many social programs are limited in scope and it would be wrong to take them as sacred trusts, as evidenced by the reduction in seniors' grants in the last provincial budget. Phasing in or capping increases doesn't make them any more affordable, it just delays their unfairness. Market values have no relationship to income or ability to pay. The fourth test is failed.

1730

The premise that properties which have similar market values should be assessed at equal or comparable values regardless of where the properties are located sounds fair, but is it? Is it fair that a particular house in one part of Metro should be taxed at, say, two or three times the rate of an identical house in another part of Metro? Clearly not. But with MVA, the exact same house in two different parts of Metro and receiving identical services would have two different market values and two different tax rates. Conversely, vastly different homes on different-sized lots and using significantly different services could end up paying the same tax. MVA discriminates on the basis of location, so it fails the fifth test.

The system should be simple, easy and efficient to administer, but because the condition of the structures is used in determining market value, routine internal inspections are essential to its administration. The search for the finished basement, new plumbing or the fixed-up back deck or storefront; the practice of peering into windows during the day; the costs involved in employing people to do this; the computer systems to keep track of it all; the whole appeal system. All represent the use of resources which are nothing more than a dead-weight loss to the productive end of our society. It fails the sixth test.

The system must not be a disincentive to improvements and maintenance, but as part of the four- or five-year assessment update cycle, assessors will make sweeping internal inspections to catch improvements or maintenance work deemed to improve property values.

Under MVA, improvements to one's home, business or neighbourhood will drive up market values and, as a consequence, taxes. It's truly bizarre when improvement results in a penalty. And so, because MVA discourages improvements and promotes slum-like appearances, it also fails the seventh test.

Many property owners who moved into modest homes or started businesses in unfashionable neighbourhoods 20 or 30 years ago now find that their neighbourhoods have become popular. Consider that many of these people are retired, on fixed incomes, or are struggling to keep their modest businesses alive. Now, because market values have risen dramatically, their taxes increase dramatically. What are they supposed to do, sell in a depressed market and move because of MVA?

What about those families who purchased their homes or businesses on a certain principal, interest and tax structure? Reassessment, sooner or later, also will force them to sell and move from the neighbourhoods where they've put down their roots and were contributing to the community. If this is the outcome the Ontario government wants to achieve, it has to fail the eighth test.

Basing property taxes on reassessed market values is tantamount to taxing property owners on future unrealized capital gains, capital gains which they may never realize in their lifetime. Totally inappropriate and unfair, it fails the ninth test.

MVA calls for the market value of one's property to be adjusted every four or five years. To the extent that a property has appreciated at a greater rate than property values in general, its owner will pay a greater proportion of the total municipal tax bill, thus subsidizing those whose properties have not appreciated as much. Neither his or her services nor income may have changed, but the result is that these property owners will pay more than their fair share of municipal taxes.

How can anyone seriously suggest that municipal taxes in one part of Metro should go to subsidize those in other parts simply because their market values are higher? They can't, so it fails the final test.

Is the Ontario government ready to take responsibility for giving Metro council the green light for a system with 100% failure rate tested against the principles of fairness and equity, a system where the immediate impact and ongoing process will be both intolerable and unacceptable, one which will result in tremendous social and economic turmoil and voter discontent?

Is the Ontario government willing to take responsibility for driving people and businesses into further financial hardship? Is it ready to force them to give up their homes, to close their stores and to close their factories?

Is the Ontario government prepared to face the consequences of bankrupting many of Metro's municipalities, in particular the city of Toronto, the economic heartland of not only our great province but all of Canada? Because most certainly this will be the result, when taxpayers, either through inability or through choice, fail to pay their taxes. Neither the solution proposed nor the timing could be worse.

Yes, the people in Metro Toronto and, for that matter, in every municipality throughout this province desperately need a new system of property taxes, but we want one of success, not of failure, one which doesn't continue to hold us prisoners of history. Our choices don't have to be restricted to those which currently exist in legislation. The provincial Assessment Act is by no means one of the 10 untouchable commandments brought to us from the mountain by Moses.

The eventual decision of the Legislature on this issue must be based only on common sense and reason, not

emotion. But emotion, I'll tell you, will prevail on the part of the taxpayers, both at the ballot box and with their chequebooks, if it is seen or perceived that common sense and reason did not guide the final decision of this Legislature.

The issue of property tax reform and fairness requires real leadership. This committee and the Ontario Legislature can provide it by treating MVA like the dinosaur it is. It's time to drive a permanent stake through its heart, and that means defeating Bill 94 on its third reading.

Mr Tony Rizzo (Oakwood): Mr Pagnuelo, I think you proved, after many others before you and maybe in a better way, that MVA doesn't work, it's not fair and it's not the proper tax reform we need in Metro. I agree with you and I can assure you that many in my caucus also agree with you.

Unfortunately, it's a solution that's a little better than the one we have now, and we cannot ask our taxpayers to wait another 10 years to have the reform we want to implement some time in the future. As you very well know, there have been many thousands and thousands of citizens in Metro Toronto who have been paying very high taxes and subsidizing other Metro Toronto people who have been paying very low taxes for the last 40 years.

So I'll tell you the way I'm going to vote: I voted for it at second reading and I will be voting for it at third reading in spite of the fact that I agree with you that it's not perfect and it's very unfair. But it's a little better than what we have now, and I think some fairness is going to be achieved by letting people who paid less before pay a little bit more and give some credit to those who have been paying more for a lot of years.

Mr Pagnuelo: The assumption in terms of one sector subsidizing another or one community subsidizing another is that it's all based on market values, and who's to say there have been inequities or that today's system is more unjust than what is being proposed? Because we're dealing with market value, which is an intangible.

We've had heated debates in many communities throughout the province where neighbour has been pitted against neighbour. The sole reason people take sides on this issue is that when it comes into their communities they look at the ledger and they say: "Where do I stand? Do I stand to have lower taxes or do I stand to have higher taxes because of market value assessment?"

What we as a group of concerned taxpayers are saying is: "Don't look at the bottom line, because if you end up being the winner today under market value assessment, I can guarantee you that in four or five years down the road, when the next period comes through for reassessment, you could be on the other side of the coin." There's a big danger in jumping into something because you see an immediate financial gain or benefit for yourself today.

Let's look at the logic. Everybody we talk to says they want a system that's fair. People don't object to paying taxes for services which they feel are essential and needed. People don't object to paying their fair share. It's how do we determine that fair share? Where you get taxpayers irate and where you get taxpayers upset is when they perceive that the system is not fair.

You have a Fair Tax Commission which is due to report soon. It's been studying the issue of property taxes. Whether or not it's been able to come up with an alternative solution, time will tell.

1740

Mr Rizzo: We have also to consider the fact that we have an authority, Metro Toronto, that has some power. If we deny them to implement some type of taxation now, they can come back and say, "Fine, you can take over and run Metro by yourself." Either we go along with that, and maybe do a little bit of tinkering—for example, what I think the legislation is saying is, "At least don't impose full market value on properties that are going to be sold, because it would be a killer."

Mr Pagnuelo: But when you realistically look at what's being proposed, yes, it's supposed to be market value as the original proposal, but it's been so tampered with, it doesn't resemble anything. How anybody can say that what people have ended up with is fair and equitable is beyond my imagination, because it's been tinkered with to death. It doesn't represent anything in terms of a fair basis of assessment.

Metro's gone like this for some 40 years, I think, or whatever the case is. The Ontario Fair Tax Commission is reporting next year, 1993?

Mr Rizzo: Yes.

The Acting Chair: Thank you, Mr Rizzo. We're going to have to move on. Mr Turnbull, please.

Mr Turnbull: Thank you very much for a good presentation. Just to get you quickly on the record and then I'll come to my question, do you live in Metro Toronto?

Mr Pagnuelo: No, I don't.

Mr Turnbull: So you have nothing to gain either way.

Mr Pagnuelo: I have absolutely nothing to gain in this. I'm here representing the Taxpayers Coalition Ontario and we talk for taxpayers province-wide.

Mr Turnbull: Okay. You make some statements here about how the provincial Assessment Act is by no means one of the 10 untouchable commandments brought from the mount. Is this provincial responsibility? The government is trying to duck out of it. You've heard the statement now that this is an interim measure and it's fairer than the present system. All those assumptions are based upon the assumption that market value is fair as a basis—

Mr Rizzo: Absolutely not.

Mr Turnbull: Perhaps you could comment on whether it's provincial responsibility and the question of the fact that the government is limply saying it doesn't like the capping coming off at point of sale, it's not going to do anything about fixing the imbalance of the amount tenants pay and it's washing its hands of it and saying, "Oh, this is Metro's responsibility." Can you comment on that as you see it from the taxpayers' perspective?

Mr Pagnuelo: Let me comment on it from the perspective of how property assessment takes place. The basis of it is found in the provincial Assessment Act, and the only method available to any municipality in terms of the

basis of assessment today is market value. To look at an alternative method of assessing for taxation, whether it be on square footage of land, square footage of property, a combination of square footage of both, perhaps another combination including use of property, requires an amendment to the provincial Assessment Act, which is their responsibility, and the only people who can change that is this House.

So to argue that the issue of market value assessment has nothing to do with the provincial government is erroneous, because it is the provincial government that has established that the way municipalities will assess for property taxes is on the basis of market value. It's this House that eventually will receive the report of the Fair Tax Commission, and hopefully there will be alternatives there. It is this House that is going to decide. If Metro wanted to move, for example, to a unit value method of assessment, it would require a change to the provincial Assessment Act. The province has to say, "Yes, we agree with it."

The difficulty is, I don't see how you can do it in one area of the province without changing it and making it universal. You can't have some parts of the province working off market value, other parts of the province working off unit value and other parts working off some other basis altogether.

The Acting Chair: Thank you, Mr Pagnuelo, for your presentation here today. I'm sorry that your time has expired.

CANADIAN SHOE RETAILERS' ASSOCIATION

The Acting Chair: Our next presentation will be from the Canadian Shoe Retailers' Association. Come forward and introduce yourself, please.

Ms Sharon Maloney: My name is Sharon Maloney. On behalf of the Canadian Shoe Retailers' Association, I'd like to thank you for giving me this opportunity to address your committee on Bill 94. I'm currently president of the Canadian Shoe Retailers' Association. Effective January 1, our organization is merging with the Retail Council of Canada, at which time I will be the vice-president of footwear division for the Retail Council of Canada.

The Canadian Shoe Retailers' Association is a national trade organization which represents in excess of 2,200 footwear outlets nationally. Our membership is composed of national footwear chains and independent operators. Our largest group of members is located in the province of Ontario, with significant membership in Metropolitan Toronto.

CSRA does not typically become involved in municipal issues. This is because the scope of municipal issues goes beyond the limited resources of our association. On the issue of market value assessment, however, CSRA has determined that the breadth of this legislation and the questionable process applied for its implementation demanded our immediate attention.

I do not need to state the obvious about the current condition of the footwear retail trade, particularly in the city of Toronto. Recent Statistics Canada figures show that footwear sales were down by 1.7% this year over last. Figures prepared by FMI Canada, January to June 1992 versus January to June 1991, indicate an overall drop of 5.5%.

The footwear trade, like all other sectors of the retail trade, has suffered from the onslaught of interventionist legislation which has been introduced by all levels of government without regard or consideration of the long-term impact on the trade. Market value assessment and its introduction is no different in that regard and, in my view, represents the straw which will break the camel's back.

Throughout this debate, I have heard reference to the need for fairness in taxation and that market value assessment represents the fairest method of taxation. I am unable to understand such rhetoric when the substance and the process of the introduction of this bill are put under scrutiny. The following are just a few of the examples of fairness which I presume the proponents of this legislation rely upon.

No economic impact study has been conducted to determine the implications to the retail business sector of a major shift in tax apportionment intra and inter the various tax classes. Members of this Legislature and Metropolitan Toronto council are prepared to exercise their option, which is actually their constituents' option, without even informing themselves, and thereby their constituents, of the implications of MVA on the business sector.

Tax burdens are being shifted to the small commercial sector without any debate as to whether this is appropriate, especially in light of the current economic conditions.

Tax burdens are being shifted within the commercial class itself, from large tenants and landlords to smaller operators, as part of a legislative adoption of commercial arrangements. In so doing, the plan removes the freedom of competitive bargaining from within the retail class and elevates it to a government-mandated status quo and thereby condones a competitive advantage which heretofore was available only through private negotiation.

Properties which are not exempt under this proposed legislation represent the lifeline of retail. Transportation of goods and people are crucial to the maintenance of a healthy retail environment. The city of Toronto is already losing market share to suburban locales because of the increasingly exorbitant costs to individuals who want to shop in the city.

The proposed legislation does not mandate the removal of the resale provision. The Minister of Municipal Affairs has not therefore kept his public undertaking that he would remove the resale provision contained in the Metro plan and thereby restore equity to Toronto home owners.

This legislation, by condoning the severance of the nexus between assessment and taxation, may be denying individuals the right to challenge their taxes.

1750

There is no provision in this legislation to address the implications for new retail entrants into the marketplace. It would therefore appear that new retail operations will be subject to market value assessment, which in and of itself will discourage any new retail entrants and thereby the generation of new retail sales dollars in the city of Toronto.

I would submit that none of the above is fair. The Metro and provincial governments are sacrificing and

ignoring yet again the very real needs of the business community for the sake of political niceties. Metro will obtain market value assessment and the government of Ontario can maintain its position of non-interference at the local level. In the meantime, the very real people whom you represent, who live and die by real dollars spent in real stores by real people, will once again have to pay the costs of your non-realistic governance.

The Acting Chair: Thank you. We have time for one question per caucus, and brief preambles, please.

Mr Turnbull: The two things which jump out at me which I recognize are the lack of impact studies and this shift of burden away from large tenants to smaller tenants—and you actually say to landlords. I would suggest that it's actually from large landlords to small landlords.

The best evidence of this is what has happened in Yorkdale, for example. Traditionally, the anchor tenant has received a benefit from the landlord as an inducement to go there, but it seems ridiculous that in fact the municipalities are going to further that inducement to the large tenant. Could you comment on that, please?

Ms Maloney: That's my point precisely. It's one thing for the marketplace to dictate what the relationships are going to be in so far as retail relationships are concerned. In point of fact, what this legislation has done is to recognize that and to put legislation into place which is now going to guarantee that this situation is carried on into the future. It has taken the ability right out of the private sector and the people who are competing in the marketplace to come to their own arrangements. With what's going on in the retail market right now, that's crucial. The retail market is changing. It is not the way it used to be.

Mr Turnbull: Bottom line: Will there be job losses as a result of this?

Ms Maloney: I would suggest that, yes, there will be job losses. I would refer the members of the committee to an article that's in the Toronto Star this morning, in the business section. It's an article dealing with what is happening in the city of Toronto in terms of the real estate market. It specifically quotes Joseph Reddington, who is the head of Sears. He makes the comment that retailers will not be looking to locate in the downtown area. Part of the reasoning for this is that they don't necessarily need the kind of space that they've had traditionally.

If that starts happening, who are you going to attract into your downtown core? Who are you going to attract into your strip malls? You have to attract smaller business. You have to attract independent operators. If you bring in provisions that make it non-competitive for them to do that, you're not going to attract them.

Mr Mills: I'd just like to refer to your brief, paragraph 6. I have here a letter that the Minister of Municipal Affairs handed to the then Chair, Mr Beer, yesterday. He says:

"At the outset, I would like to emphasize that all existing rights to appeal the assessment of a property are unaffected by Bill 94. Further, Bill 94 provides for a right to appeal the incorrect calculation of taxes to the council of an area municipality, by a person with an interest in a property."

Further to that, I would like to address your paragraph 7 in so far as new retail entrants into the marketplace are concerned. I have some notes here that say: "Although Metro council has not dealt with the specific details of its protection plan, a working group with staff representatives of all the area municipalities as well as Metro has been established to work out the details. The directions to the working group have been to develop a generous plan." Those two points I'd just like to cover.

Ms Poole: Thank you very much for your presentation. You obviously have concerns about this plan and its impact on small business. One of the things that appears to be in dispute right now is the impact on business taxes. The business tax, as members of the committee are aware, is in effect the occupancy tax paid by the tenant.

The information I've had from several senior people in the Ministry of Revenue is that they are familiar with the legislation, and they are certainly familiar with assessment practice. Because there is no 1992 base year, if new tenants, for instance, moved into a building January 1, 1993, and had no 1992 base year for taxation, they would actually have full market value. If this is true, and we are right now trying to get that ascertained, it will have an even greater dramatic impact than when you wrote this brief.

Ms Maloney: Absolutely; no doubt. Anything that further acts as a disincentive for people to come into the retail market is, in our view, a mistake. The retail market, especially the small retailer—it's always been my understanding that small business was one of the constituent groups for this government—is going to be disadvantaged by it.

Ms Poole: Councillor Anne Johnston has said it's the wrong tax for the wrong time in the wrong place. I guess you'll add one more thing: to the wrong group.

Ms Maloney: To the wrong group, absolutely.

The Acting Chair: Thank you very much for your presentation.

TORONTO ARTS COUNCIL

The Acting Chair: I would now call upon the Toronto Arts Council, Anne Bermonte, associate director, please.

Ms Anne Bermonte: Good afternoon. My name is Anne Bermonte and I'm the associate director of the Toronto Arts Council. I wish to thank you for the opportunity to address this committee. Bill 94, the Metropolitan Toronto Reassessment Statute Law Amendment Act, 1992, poses a serious threat to Toronto's artists and non-profit arts organizations. Implementation of MVA, as proposed in Bill 94, will mean the end of Toronto's arts and culture community. I will elaborate. However, before I start, I would like to raise a concern—and I've actually heard it raised a number of times this afternoon—with respect to this process of public hearings in which we're currently engaged.

I've read in the papers of other deputants before you today that the Minister of Municipal Affairs has recently been quoted as saying, "The government wants the plan approved by December 10 so tax increases and decreases can be implemented by Metro next year." My question to

you is, if this is the case, then why are we here today? Is this a process that is similar to the debacle the federal government called "citizens forums"? Is this a way of placating Ontario's citizenry?

I hope that you, unlike the federal government, will not ignore or pay lipservice to me and the hundreds of other individuals who have sat or will sit before you addressing this very important issue. I hope you will ensure that the concerns we voice are appropriately considered and reflected in the government's decision.

Having raised this concern about the process, I want to focus on the disastrous impact that Bill 94, MVA, will have on Toronto's arts organizations and artists.

Essentially, Bill 94 will undermine the economic, social and cultural fabric of the city of Toronto. The arts community is typically operating at the edge of survival, dependent on government grants, donations and local community support, which are currently under recessionary pressures.

Bill 94 means a minimum guaranteed increase to commercial and industrial property taxes of 25% over the next three years. Metropolitan Toronto is considering a 5% property tax increase in 1993. Consequently, arts organizations in the city will be faced with a minimum 1993 tax increase of 15%.

In addition, for the next five years, appealing one's assessment will become an academic exercise for the vast majority of property taxpayers in all classes. I understand that under Bill 94, starting in January 1993, the only assessment will be the roll showing 1988 market values. A taxpayer may well win his or her appeal and achieve an adjustment to the 1988 assessment, but this may have a zero effect on his or her current tax payment, since the property tax will not be based on this assessment for the next five years. It's an increase that's being proposed on what is currently the property tax being paid.

1800

Under the 25% proposal as of January 1, 1993, I want to give you some examples of how specific arts organizations will be affected. The Desrosier Dance Theatre's taxes, under this current proposal, will increase by $5,500; increase under full MVA is $14,000. The National Ballet of Canada's taxes are proposed to increase by about $18,000; under full MVA, the increase is $128,000. Young People's Theatre's taxes will be increased by $16,000; increase under the full MVA is $28,000. The Academy of Canadian Cinema's taxes will increase by $5,000; increase under full MVA is $87,000. Factory Theatre's taxes will increase by $3,400; however, under full MVA the increase is $60,000; the Artists and Artist Run Centres at 183 Bathurst St face a total tax increase of $6,300; under full MVA, it's $9,800.

The original plan—full MVA—had it been before you as Metro had initially proposed, would have basically accomplished the strangulation or the demise of the arts community much, much sooner than what this patchwork proposal is doing, but I think this proposal currently before you is much more insidious, because it will make strangulation a longer and more painful death for the community.

Implementation of MVA as proposed in Bill 94 will erode the revenue base of the city of Toronto to the point where, among other things, there is a fear that city support for the arts and culture could diminish or disappear.

Small businesses, which are also hard hit by the recession, will find it very difficult, perhaps even impossible, as with artists and arts organizations, to absorb a 25% increase in property taxes over the next three years. To date, the city of Toronto has calculated approximately $250 million in tax arrears. The loss of another element of the city's commercial tax base will undoubtedly increase the amount of tax arrears.

A $32-million shortfall in the city's 1993 operating budget is projected as a result of the loss of revenue from payments in lieu.

A $2-million revenue shortfall is projected from the city's parking authority. Under the current MVA proposal, properties owned by the parking authority are classed as "other," and like the vacant lands, the railway corridors and the utility rights of way, are not protected by caps on tax increases.

The cost to the city to implement MVA as proposed in Bill 94 has been estimated to be as high as $1 million.

The Toronto Arts Council is the city of Toronto's cultural adviser. It recommends to the city of Toronto, through peer assessment, on the distribution of the city's grants budget to arts and arts organizations. In 1992, the Toronto Arts Council received approximately $6 million from the city of Toronto as the cultural budget to be used to support the work of artists and arts groups. This amount of money may seem rather small to you. However, the amount of work, the economic activity and the jobs it creates is significant, and becomes increasingly more significant in light of deteriorating support from other levels of government.

For example, the federal funding of the arts through the Canada Council has been frozen for the past six years, with Ottawa adopting an anywhere-but-Toronto attitude on ministerial spending. Yesterday, the Minister of Finance announced as part of the federal government's economic plan, a $20-million cut to the Canada Council over the next two years as part of an overall $80-million cut to culture.

Provincial support of the arts through dedicated lottery income has disappeared. The purpose of dedicated lottery funds, which was the support of culture, recreation, sports and fitness, has been severely altered through Bill 119 and Bill 114, amendments to the lottery corporation act, in order to cover hospital deficits and hospital administration costs.

The province, like the federal government, is considering 10% to 20% cuts to agencies like the Ontario Arts Council and to its ministries, particularly the Ministry of Culture and Communications.

Of course, GST has had a negative impact on many performing arts groups, as it has on businesses all across Canada.

A report prepared earlier this year by the Toronto Arts Council, entitled The Arts and Economic Development, outlines the non-profit sector's economic contribution.

For example, $1 invested by the city of Toronto comes back multiplied up to 24 times within one to two years.

Conversely, the loss of $1 would result in a negative growth, ie, contraction, of $24 within two to four years. The overall non-profit arts and culture revenues in Toronto remain close to $200 million with an economic impact of almost $900 million. Arts and arts-related jobs in industry centred in Metro Toronto remains at approximately 150,000.

In addition to their economic and cultural value, the arts help keep our streets safe. Streets with people walking to theatres, galleries and nearby restaurants are lively, attractive, safe environments.

The arts attract tourist dollars. The non-profit and commercial arts annually draw two million visitors to Toronto. These cultural tourists spend at least $1 billion during their visit.

Despite the economic and social benefits that the arts community provides, the community is in a financially precarious position. Survival techniques for a great many arts groups include reduced programming, temporary closures and staff layoffs, resource and job sharing and reduced fees to artists.

It should be noted that artists, who contribute enormously to our society, are next to pensioners the lowest wage earners in the city. According to data collected by the city of Toronto's housing department, visual artists' net earnings were $5,700, while theatre artists, who had the highest net earnings, made close to $8,000.

These are the people who revitalized places like Yorkville and Queen Street West and then were forced to move out. Well, MVA will basically force them to move out of the city completely. How can these individuals, who are among the lowest wage earners in our society, absorb additional tax burdens? As I've said, one real solution is that they'll just have to leave.

But they won't just leave the city and Metro; they may in fact leave the province. There has been a major exodus of artists from Toronto to Vancouver, and one of the reasons is because they find it very expensive and find it very difficult to continue living in the city and in the province.

Implementation of Bill 94 with its added tax burden will ensure that this exodus not only continues but escalates. This exodus, combined with the erosion of the city's revenue base, will ensure that the city of Toronto loses its critical mass of artists and arts organizations.

This is a critical mass which employs, as I mentioned, 150,000 individuals in the arts and arts-related industries who form the talent pool for the non-profit arts community and the cultural industries, a critical mass which in 1992 attracted $1 billion in film and video production, a critical mass which makes Toronto Canada's most desirable tourist destination, a critical mass which prompted UNESCO to designate Toronto the world's most multicultural city, and a critical mass which has a Metro-wide economic impact of $9 billion.

The arts and culture are the heartbeat of a successful downtown. Approval of Bill 94 on December 10 will mean the slow, insidious, painful end of this heartbeat, of the arts community in Toronto.

I recommend that your committee reject this piece of legislation and urge an examination of real property reform following a complete analysis and study.

Thank you for your time and I'm pleased to respond to any questions.

The Acting Chair: I'll begin with the parliamentary assistant, Mr Mills.

Mr Mills: I'd just like to point out, since we're talking about the arts, that the O'Keefe Centre, Roy Thomson Hall, the Art Gallery of Ontario, the Royal Ontario Museum, the Ontario Science Centre, the Irish Canadian Centre, the Japanese Canadian Cultural Centre, Ukrainian Cultural Centre all pay no taxes; they are tax exempt.

Ms Bermonte: That's right.

Mr Mills: The others you spoke of are normal, privately held property subject to taxes, and they will be capped, as you say, at 25%.

1810

Ms Bermonte: That's right, except my point is that 25% is still a very hard burden on them. It's very difficult. They have to carve it out of someplace and in the face of declining revenues from the provincial government. As I pointed out, if the city's revenues continue to dwindle, the city may not be able to continue to support the arts in the way it has. Therefore, there is another deterioration of the revenue base. To carve out another 25% is an incredible burden on these organizations.

Mr Mills: I appreciate your position. I just thought I had to tell you that. Thank you.

Ms Poole: Anne, thank you very much for your presentation. You certainly are a very articulate spokesperson for the arts community. Yours is the first presentation from the arts community. Quite frankly, it's obvious it's going to be absolutely devastating. The arts community is floundering right now and you've said that it will still be strangulation, it will just be slower and more painful. I don't understand how organizations like Young People's Theatre—there are hundreds and hundreds of them throughout the city—can survive with a 15% tax hike, even that so-called protection. I don't see it. I know right now that they're starving for funds.

Ms Bermonte: The greatest subsidizers of the arts are the artists themselves. Governments like to pat themselves on the back. Governments do support the arts and government support is very essential, there's no question about it, but the greatest burden is still on the artists who subsidize the creation of art. What happens is that you have companies like Young People's Theatre which have to bear this extra burden.

What they do is they perhaps start laying off staff, they start producing fewer shows, which means of course that they bring in a smaller audience and perhaps the corporate support really isn't as high as it would have been if they were doing a regular season of shows. They do fewer shows. They may also do fewer shows using fewer actors.

What you have here is a ripple effect that results in greater unemployment within the arts community, and basically what that means is that if they can't find a job in

Toronto as an artist, they may have to look elsewhere, and they will probably move, as I pointed out, outside of Toronto and more specifically outside of the Metro area. It's just too expensive for them to stay here. Or they may move down south to the United States or to Vancouver, where the arts community is really starting to thrive because Vancouver is starting to build what I've described as a critical mass of artists.

What in effect the ripple effect of unemployment and then people moving out does is that there will be no rent being paid and people will have to sell their homes. That will make it difficult for them even to sell their homes, because of market value assessment. What I've heard is that it is a deterrent in terms of being able to sell one's home. It acts as a deterrent in that way.

But essentially what happens is that it just causes unemployment. It causes people to move out, and it puts a lot more burden on the social infrastructures that Metro has, welfare and unemployment insurance, and puts a lot more burden on the province, on governments, without having the kind of payback that it has if it is supported in a proactive way.

Mr Turnbull: Thank you for an excellent presentation. You unfortunately paint a very depressing picture as to the future of Toronto, because one of things that sets Toronto apart from all North American cities is that the very vibrant arts community, the very cosmopolitan aspect of Toronto, is certainly something which attracted me when I came to Toronto many years ago.

One of the problems with MVA is that it is essentially a location tax, and properties, as they get into the centre of the town where the arts community tends to be centred, are in buildings which assume, during inflationary times, very high values.

The ability of the arts community, or in fact any community, to be able to pay those taxes relative to the value that the building may have for the short period of time is not there. You correctly point out that even the ability of these people to sell homes, to move away, is impaired by the fact that there will be a discounting of the value of those homes.

Ms Bermonte: That's right.

Mr Turnbull: And to the extent that artists very often don't have a lot of equity in their homes, they may be wiped out by this, because they would lose their equity if they have to sell.

Ms Bermonte: Absolutely. That's right.

Mr Turnbull: The problem we're having, Anne—here's the question—is that clearly the people who are getting a reduction under this plan are very keen to see it. One cannot help but have sympathy for the people who feel that they have been paying too much, and so they see there's an opportunity. How can we persuade the government, which is voting for this bill, that this is inappropriate and that it should look at other tax methods?

Ms Bermonte: I think, as the speaker pointed out before I did, the saving is immediate. In fact, there will probably not be a saving because of the clawback provision. I think you will find that there will be quite a few irate taxpayers who are expecting a decrease and in fact will not receive a decrease because Metro will have to impose a property tax increase.

I think the biggest fault with this is that it doesn't look towards the long term; it is looking at an immediate gain, an immediate payback. I think what we have to look at is the long term: What is the social and the economic impact of MVA on the city of Toronto? My bottom line is: What is the point of paying lower residential taxes if you don't have a job? If you don't have a job—

Mr Stephen Owens (Scarborough Centre): You can't pay anything.

Ms Bermonte: You can't pay anything. That's exactly right.

What is the impact on people's abilities down the road in terms of their jobs, their employment, and in terms of the kind of amenities such as the arts and culture? We don't know what those are because there has not been any kind of a study or an investigation of that kind of impact, and those very important questions have not been asked. That's why I think that before Bill 94 receives third reading, this kind of investigation and study be conducted. It's very important.

The Acting Chair: A very brief question, Mr Mammoliti, with a very short introduction.

Mr Mammoliti: I just want to respond to a question that the presenter had asked early in the submission, and that was, "What are we doing here?" In my opinion, we shouldn't be here. In my opinion, this isn't the province's responsibility. This is a Metro decision.

The reason we're here is because the opposition felt this was a good opportunity to bash the government. They demanded that the House leader hold hearings so that they can bash us. In my opinion, we don't belong here. The precedents we would set if we touched this would be dangerous. No other provincial government has put its hand in a similar situation. For us to do that would set a precedent. It doesn't mean we don't understand and it doesn't mean we don't agree with you in terms of a problem with the tax structure. It simply means that we shouldn't be here. The opposition demanded us to be here, and that's why we're doing it.

Ms Bermonte: But if you believe that something is wrong, wouldn't you say, "No, I'm not going to do it"? If someone had asked you to press a button that would result in an electric shock being transferred to somebody else, would you not think: "No, I'm sorry, I can't do it. That is a wrongful act"?

Interjection.

The Acting Chair: I'm sorry to interrupt, Mr Mammoliti.

Thank you for your presentation and your perspective.

1820

MICHAEL BAILLARGEON

The Acting Chair: Our next presenter is Michael Baillargeon. You have 10 minutes.

Mr Michael Baillargeon: My name is Michael Baillargeon. I'm a resident of the city of Toronto. I live in ward

12, in the west end of the city, and have been active in the city of Toronto's fight against market value assessment.

Is anybody out there? Is anybody listening? Are you listening? No, this is not a search for extraterrestrials, although from the debate we've seen over the last days, months and years the result is just as frustrating and just as futile. I ask again, is anybody listening?

In a commonsense way, let's calmly review a number of the most important questions we've had in the last few days. Witness after witness, elected officials, business leaders, representatives of residents' and tenants' associations, small business men and women, hotel owners, parking lot owners, land owners, associations too many to name and others, have all come forward to present case after case where market value assessment, as proposed, will have a disastrous effect on the city of Toronto. What the residents want to know is, is anybody listening?

The process, as carried out by Metro council, at no time allowed for debate on the final plan, particularly the area dealing with the residential rate increases.

There is no economic impact study showing the effects this legislation will have on the city of Toronto or, for that matter, Metropolitan Toronto.

While Toronto provides Canada with 12% of its GNP and Metro with 42% of its tax base, and while this city has 33% of Metro's population, our representation on council is less than 27% of the council's votes.

MVA in a small community where property values remain relatively stable might be workable. But "stable" is not an adjective one would use to describe Toronto or the rest of Metro. The housing market throughout Metro, and in particular Toronto, is extremely volatile. No worse year for assessment could have been chosen than 1988, when speculation was at its peak in the real estate home market.

While promised no tax increase, many home owners now face 10% over two years. When sold, market value assessment comes into full force to the new owners.

Thousands of tenants face potentially maximum rent increases. Market value assessment fails miserably to take into consideration one's ability to pay.

Neighbourhood shopping strips like those on Dundas West, College Street, St Clair West and others throughout the city cannot tolerate the projected property tax increases, and economists predict massive numbers of closings.

The railway lands and other vacant land face full market value increases under the present legislation.

Hotels, some already facing over 50% vacancy, require a new, fairer tax system, not increased taxes.

In parking facilities operated throughout Toronto, North York and the city of Toronto, some 25,000 spaces face major increases. Toronto's alone will rise to $19.4 million, a 290% increase.

There will be business closings, slow economic growth, less development, increased costs, loss of tourism and convention dollars, decay of the downtown core and the loss of jobs.

Market value assessment will be passed prior to anyone having the opportunity to review the Fair Tax Commission's long-awaited report on property tax reform. Why?

Is anybody listening? The citizens of this city are scared. We are outraged. With mountains of evidence saying no, this rush to market value assessment is premeditated murder of one of the world's great cities in Canada's major economic centre.

I do not endorse the present property tax system, nor do others. The answer is not to replace one bad system with another; it's to implement real property tax reform. It does not take a rocket scientist or a brain surgeon to see that MVA is anything but real reform.

The entire issue is a mess. Metro Toronto and, yes, the city of Toronto must take responsibility for having polarized their communities. In the suburbs short-term gains and benefits are blinding many to the catastrophe of MVA. Political considerations are calling the shots. Politics whatever the cost, not leadership, rule the day. No one wants or seems willing to accept or effect responsibility. Political courage is an orphan, and much lacking by all but a very few.

Our provincial government has a chance with market value assessment to show true leadership, to change the course and to provide all concerned parties with a much-needed alternative. And, yes, it is the provincial government's responsibility.

The true effects of market value assessment on the city of Toronto and their eventual domino effect on the rest of Metro are not getting a fair trial. As in our justice system, this would call for a change of venue.

I don't want to sound naïve, but I'm making a recommendation to take this out of the political sphere, because we're in a situation where the NDP in downtown Toronto don't want to mess with the situation in Scarborough. The Liberals, going back to the Peterson situation, don't want to mess with it. All this banters back and forth between Metro council and the city of Toronto's council. So I'd like to make some recommendations:

— That the provincial government delay passage of MVA legislation for one year or, at the least, if they want to take a look at it, impose it for one year.

— That the city of Toronto and Metro agree to binding arbitration.

— That a provincial royal commission be formed to arbitrate tax reform and provide an alternative solution, because everybody agrees it's not full market value assessment; it may be unit assessment or it may be something else.

— That the committee consist of five members: one from the government, one from the city of Toronto and one from Metropolitan Toronto, with the two remaining members being appointed, one by the above three and another by the Fair Tax Commission. They would be reliable third-party tax experts and consultants.

— That the Fair Tax Commission's report, upon release, be received for study by the committee.

— That an economic impact study be ordered. Thirty-six hours before market value assessment was passed by Metro Toronto, the deal before the Legislature was cooked up over lunch; I sat two tables away from it. There is no time for any market value assessment impact study to be presented with the legislation to say how bad the effects are going to be.

— They would have eight months to render their decision. The decision would be binding and effective for January 1, 1994, and funding would come from Metropolitan Toronto, with the share by members to be based on representation and supplemented by a 30% of total share grant from the province.

I thank you for this opportunity and for bearing with me during the discussions today. In closing, I would like to quote from a speech made February 28, 1990, at the Toronto Kiwanis Club luncheon by former Toronto mayor Art Eggleton:

"As you know, this debate is about more than taxes. It's about whether or not we are committed to maintaining Toronto, indeed all of Metro, as an affordable place to live, with the quality of life and the level of services that have made us the envy of so many cities the world over. It's about whether we want to price our community out of the reach of all but the very wealthy, whether we want to drive away the investment and economic activity so vital to our continued prosperity. It's about whether or not we as citizens and as a community can stand one crippling tax blow after another."

Those words were true then and they are true now. Is anybody listening? The actions of this committee and of this government can only answer.

I find it difficult to believe, with the number of people who have stood before this committee this week preaching doom and gloom and experts telling what problems would happen if this process goes in, that somebody hasn't said, "We need to stop and take a look."

I'm available for questions, and thank you very much.

The Acting Chair: I'm sorry, sir, but there will be no questions. Your time has expired. I'd like to thank you for your presentation and for coming.

1830

ANNA GAUDIO

The Acting Chair: Our next presentation is Ralph Gaudio or Mrs Gaudio, if you could come forward, please. Thank you for coming to the committee.

Mrs Anna Gaudio: My husband was supposed to come to this meeting but he got sick; he couldn't come, so I came. My name is Anna Gaudio. My husband and I own a small business, a small two-storey building at 1244 Bloor Street West.

I hear you say that the taxes around that area were very small, so that's why you were forced to bring them up. That's not true, because our taxes have been increasing over the years. For a very small building like ours, last year we paid $4,311, which I think for the area and the business is very fair.

From this place, my husband and I run a small business: a travel agency and a foreign exchange. Since our income has been increased by 50% in the last year, our taxes keep on going up. You have to come to the area and see the place, the way it looks. I mean, it's like a ghost town, that area of Bloor and Lansdowne. Most other stores are closing down; business is very poor. We have drug dealers around the area. It's newcomers from Asia, Africa or South America with a very small income; therefore, they cannot spend or travel or whatever.

What I want to tell you is that people are really getting fed up in that area and they can only pay so much tax. If you keep on putting them up and up, where are they going to get the money to pay for this tax?

The only reason my husband and I are still open is because we lowered our salary. We are making more than the minimum average wage, and we don't have to pay rent because the building is ours, but somehow we have to find the money to pay for our living, to pay for this tax that keeps on going up.

That's all I have to say. I thank you for this opportunity, and I'd like you to reconsider before you approve this law.

The Acting Chair: One question each from each caucus.

Mr Rizzo: Mrs Gaudio, have you checked the increase or decrease in tax on your property?

Mrs Gaudio: Yes, I did. It's not very much. We can even go with that. It went up to $5,097.

Mr Rizzo: How much were you paying before?

Mrs Gaudio: It was $4,311, but the only thing is that if we sell the property, it's going to go up to $7,005.

Mr Rizzo: Forget about that; this may be changed. If full market value were implemented, how much would your property taxes be?

Mrs Gaudio: It would be $5,097.

Mr Rizzo: Because they are going to allow only up to a maximum of 10% and 5% the first year, you would be paying $200 more the first year and $200 more the second year. That's all you would be paying, you understand that.

Mrs Gaudio: That's not the way we understand it.

Mr Rizzo: That's the problem with many people appearing in front of this committee and many other committees. Your increase would only be up to 10% of the taxes you are paying now. You have been paying $4,300. If the full 10% were implemented, you would pay an extra $431; now, because you are only going to be paying 5% more, it would be half of that in 1993 and the same amount for 1994, and that's all. That's all it's going to be.

In view of what I just said, how can I justify voting against this if I personally have been paying, for as long I've been in my house, $2,000 a year more than I should have been, and next year I'm going to pay $1,000 more, and I'll be paying $1,000 more for many years to come—

Mrs Gaudio: But you see, the building is very old and it's according to the area.

Mr Rizzo: Forget about whether the building is old or new. You're only going to pay $200 more, and there are people like me who for years have been paying thousands and thousands of dollars more. I just want to explain—

Mrs Gaudio: If it's only $200 more, I'm sure we can afford it, but that's not the case here.

The Acting Chair: I'm not sure we have a resolvable discussion here, so perhaps I could—

Mrs Gaudio: Also, if we do sell the property—my husband is 65 almost, and he has to sell one day or another—nobody's going to buy in that area the way it is, and if this tax goes this high, it's going to become even worse. What are we going to do with the building? We can't eat the building. That's all I have to say.

Ms Poole: Mrs Gaudio, thank you very much for coming before our committee. You said you're a business person. Is the property you're talking about a business or a residence?

Mrs Gaudio: Right now, I'm complaining about the business on the property, which is ours, but we are also the owners of the building.

Ms Poole: So the $4,300 is on a business property?

Mrs Gaudio: Yes.

Ms Poole: In that case, what Mr Rizzo said is actually not right, because in the first year you would have a $430 increase due to market value assessment and then on top of that—

Mr Rizzo: Find out first what type of property it is, because you may be right or I may be right. It may be a residential-commercial property.

Ms Poole: It's a business property. Then on top of that there will be whatever normal increases Metro council imposes. It was what last year, 8%? Even if we're very lucky and school boards hold the line, you're probably talking another 6% or 7%. So it's not $200 but in the neighbourhood of $700 to $800, which starts to add up for a small business barely making—

Interjection.

The Acting Chair: Please, Ms Poole has the floor.

Mr Turnbull: She said it's commercial.

Mrs Gaudio: It is commercial. I've got the bill right here.

Mr Rizzo: You don't live in the building?

Mrs Gaudio: No, I don't.

Mr Turnbull: The basic problem is that this is a location tax, plain and simple. Because of the fact that you're on Bloor Street, it becomes a hot property. And because other people may have traded their buildings for high prices in 1988, you're being hit with that value and it bears no relationship to your ability to bear that burden. That is forgotten by people who are getting reductions. They're saying, "Okay, we've been unfairly treated." That's based upon the fact that they're saying, "Your property is worth more."

Mrs Gaudio: But it's not worth more.

Mr Turnbull: Yes. If you accept that premise, you have to say, how do you measure that? Based upon 1988, which was the high-water mark.

Mrs Gaudio: Which is very wrong, because at the time the buildings in our area were sold around $800,000, $750,000. A lot of people came in and asked us to sell the property at that time, but we didn't want to sell it. Now it's worth half of it, maybe.

The Acting Chair: The parliamentary assistant has 15 seconds to make a point.

Mr Mills: Just before you go, I'd just like to make a point. If your property is commercial, and you said it is, it's not going to full market value when you sell it. It's capped.

Mrs Gaudio: It's not? They told us that if we sell it, the new owner has to pay $7,000.

Mr Mills: No, if it's commercial property, it doesn't work that way.

The Acting Chair: If this conversation could be carried on outside the confines of the committee, I'd like to adjourn this committee until 10 minutes after 7 precisely, so that we have half an hour for dinner. This committee is adjourned.

The committee recessed at 1838.

EVENING SITTING

The committee resumed at 1916.

YORK MILLS RATEPAYERS ASSOCIATION

The Acting Chair: I'd like to begin with our 7 o'clock presenter, the York Mills Ratepayers Association, with Yarmila Filey. Could you please just restate your name and your organization, and you have 10 minutes for your presentation.

Ms Yarmila Filey: My name is Yarmila Filey and I'm secretary of the York Mills Ratepayers Association Inc.

Market Value Assessment: A Misuse of Your Money is the title of our presentation today.

On behalf of the York Mills Ratepayers Association I would like to outline three ways in which market value assessment is a misuse of your money:

(1) It exacts a toll on those who need help in our community.

(2) It does not really meet the standards of fairness.

(3) It wastes the scarce resources of the government of Ontario.

I'd like to describe these three ways.

First, it exacts a toll on those who need help in our community. On York Road in our community is a man I'll call Bert. That's not his real name. Bert is 81 years old. His wife passed away two years ago. Bert, however, is in reasonably good health. He still drives his 10-year-old Dodge. He can still get his own meals and he still fulfils his passion for a beautiful garden by planting a great many flowers every spring.

Bert lives in the same house in which he brought up his family: a modest three-bedroom bungalow of about 1,600 square feet. Like most seniors in our community, he likes the bungalow because it does not require him to go up and down stairs frequently. He purchased his house on York Road in the mid-1950s when that part of Willowdale was just being developed on what was then the outskirts of Toronto. He paid an amount of money that would be considered modest. This is definitely not the Bridle Path.

Bert worked for a reputable and well-known firm in the investment business until his retirement 16 years ago. He has a small pension which has not kept pace with inflation. His investments and savings have been largely used up over the years. His only other sources of income are the old age security and Canada pension plans. Every year he spends more than he makes. His major expenditure is his property tax bill: $4,500 per year, or almost $400 a month. That's a massive chunk of his net income. Bert is losing ground in the battle to keep his home.

Bert is concerned that he may not be able to keep making these payments. After being reassessed under this proposed market value assessment, his taxes would go up 20%, to $5,400 per year. Under the capping proposal, the increase would be limited to about $450 a year, taking his taxes to $4,950 per year. However, with the expected municipal mill rate increases, it could easily go to about $5,500 within two years.

Bert is being forced out of his home, not for health reasons, but by the provincial government fostering an expensive municipal taxation system.

How many other citizens like Bert are out there? Quite a lot. Our community, by the 1986 census, has twice the proportion of senior citizens as the average in Metro Toronto. It is quite understandable why this is so. A great many moved in as young married couples in the 1950s and created a very desirable community. Many are now experiencing the prospect of increased taxes under market value assessment.

They want to live in their homes as long as their health permits. They know that being forced into a new and strange environment often results in quickly deteriorating health. They don't want to be forced out by an insensitive government. What is happening is that this reassessment is exacting a toll on people who need help.

My second point is that market value assessment does not really meet the standards of fairness. You've heard from the proponents of market value assessment that they are going to "get even" and make it "fair" after years of paying too much. Is that true?

Let's return to Bert. How has market value assessment increased Bert's tax bill unfairly? In our community there is the phenomenon of in-fill housing. You may applaud the intensification of use of land in the inner suburbs of Metro Toronto. Large lots with bungalows have been acquired by developers beginning extensively in the mid-1980s. They tore down senior-friendly housing to build monster homes.

In 1988, developers were bidding wildly for properties in and around Bert. Some of the original owners took the large offers and sold out. Bert, like many others, did not. While some of the sellers might now have the money socked tidily away, they have left Bert and others with a very sad legacy: the grossly inflated 1988 property values which are now used by assessors to establish the value of Bert's properties. After building the monster homes, the developers sold them to people of means who went in with their eyes open, not only to the selling price, but also to their substantial tax burden. Bert, on the other hand, had no say in his new level of taxation caused by the events happening around him.

In what other way his market value assessment increased Bert's tax bill unfairly? Bert's home can be matched by an identical 1,600-square-foot bungalow in Scarborough or Agincourt. That home could be on a similar lot of approximately 7,500 square feet. Let's say that home is occupied by another senior, in similar circumstances to Bert. It is reasonable to assume that both of them use about the same amount of municipal services—education, policing, garbage, fire protection etc—but there is a great difference. Market value assessment will decrease the Scarborough or Agincourt tax bill to about $3,200. At the same time, Bert's tax bill is rising to $4,950.

Is that fair? Should Bert in North York pay about 60% more than in Scarborough because he lives in a area that was decimated by developers in 1988? This is the root of

the fairness problem. People in identical houses on identical lots, consuming identical municipal services and perhaps having identical means, will pay wildly different taxes.

Residents of Scarborough and Etobicoke are going to do much more than get even. They're going to have a ride at the expense of people like Bert who can't afford to give anyone a free ride. That is why market value assessment does not meet the simplest standards of fairness.

My third and last point is that market value assessment wastes the scarce resources of the government of Ontario. You, our legislators, plan to spend about $55 billion a year delivering valuable programs to the people of Ontario. Your receipts are considerably less, perhaps in the area of $45 billion. With a deficit of about $10 billion, you have the obligation to examine very carefully your expenditures to determine their value. It seems reasonable to examine the assessment program to determine its value. In other words, does it cost more than it is worth? Is it cost-effective?

First, there are 1,500 employees in the assessment program, close to 2% of the entire provincial civil service. What do they do? There are front-line assessors who make site visits to establish the value of properties. They examine each home to determine how many fireplaces it has, how many bathrooms it has, whether it has a garage, whether it has any other outbuildings, what kind of flooring it has, what quality of construction, what size is it, what size lot etc. They examine property sales information to establish a lot value in the area and then they estimate the replacement cost of the dwelling. After this massive effort, they use all the information they've collected to estimate the 1988 market value. This is not a trivial process.

What else do the assessors do? We believe they have large travel expense accounts. Their travel is probably the greatest in the provincial government. They defend assessment appeals by property owners, appeals which come in the thousands every year.

Who else is in the property assessment program? Clerks, secretaries, management, all supported by desks, chairs, light, heat, computers, real estate and government benefits. What does it all cost? Salary, benefits and travel exceed $150 million a year. Computers, real estate and associated costs at head office and regional offices could amount to $30 million a year.

What do property assessment appeals cost? The Ministry of the Attorney General generously provides assessment review boards staffed with review officers and supported by clerical and management infrastructure. The cost again is millions and millions of dollars.

What are the costs to the province's municipalities of the assessment program? Municipalities must allow for erosion of the assessment base through appeals. They must also retain qualified staff to interface with the province's assessors.

The whole program is far too complicated and too costly for you, the provincial government. You need to simplify it. The proposal made by the city of Toronto and others for a unit assessment system would do that. It is simple and understandable. It is stable. No heart-wrenching reassessments every four years. It could be made progressive, to allow for the ability to pay and to account for potential uses of municipal services.

I would like to read a letter, if I have time, from the York Mills Ratepayers Association to Premier Rae, dated April 30, 1992, re $100 million annual savings to Ontario:

"You have an opportunity to reduce expenditures by approximately $100 million per year. Savings of this order may be achievable in the property assessment program of the Ministry of Revenue.

"The opportunity is simple: evolve the complex, high-workload property evaluation system based on 30 or more factors, such as fireplaces, bathrooms, hardwood flooring etc, to a simplified system based on two objective factors—lot size and building size.

"Your recent public statements indicate that you are open to suggestions on cost savings which include reductions in the size of the provincial civil service. By reducing the complexity of the current property assessment methodologies, you could perform the assessment function with many fewer people and achieve large annual savings.

"The benefits extend far beyond the reduction of personnel.

"(1) The four-year cycle of re-evaluation would be eliminated, removing instability from the system.

"(2) The system would be clearer to the public, easier to understand.

"(3) Appeals would drop from their current expensive, time-consuming level to near zero.

"(4) Property owners would not be penalized for improvements which do not affect lot size or building size.

"(5) Assessments would more closely relate to usage of municipal services or, at a minimum, potential usage. After all, larger homes can accommodate more people.

"Most important, after a suitable transition period, you would be able to maintain a fair and stable property assessment system with a small fraction of your current assessment employee population.

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"If you choose to implement it, I recommend that you not actually lay off any provincial assessment staff. Instead, I believe that the resultant workload reduction could be matched by normal attrition and retraining of staff for other valuable public service positions, over the course of two or three years.

"In addition, you could easily make it progressive—beyond a certain 'family basic living space,' you could apply accelerators, if that would increase fairness." Why not? "Commercial and industrial properties could have similar progressive features.

"I realize that you will never see this letter and that I may get a reply from one of your staff. Consequently, I ask that the response not be from someone with a vested interest in the status quo—the current property value assessment system. Otherwise these potential savings to the public purse might never get proper consideration.

"As an added incentive for proper debate, I am copying the leaders of the opposition parties," as doubtless "everyone is interested in leaner, fairer and more effective government. While the savings may differ from the estimate of

$100 million annually, I believe you can't afford to pass up this opportunity."

That was signed by the chairman of our taxation committee from the York Mills Ratepayers Association, and it was copied to Lyn McLeod, opposition leader, and Mike Harris, leader of the Progressive Conservative Party.

The Acting Chair: We have time for very brief questions, one each. Mr Turnbull.

Mr Turnbull: Yarmila, thank you very much for your presentation. Could you tell me if there is any apparent pattern to the increases or decreases—for example, newer homes getting decreases and older homes getting increases—and, if so, can you explain why?

Ms Filey: There may be a pattern. It appears to have nothing to do with the age of the house. New houses in our community were just about as likely to receive increases or decreases as the older houses. The only pattern that we could discern was really quite surprising. The decreases were concentrated on two of our 16 streets, York Road and Valley Road. I'm sorry, but I don't know why the two streets. There doesn't appear to be a sensible reason, except perhaps property sales in 1988.

Mr Turnbull: So it was fairly arbitrary.

The Acting Chair: Ms Poole.

Ms Poole: I just wanted to say thank you very much for your presentation. Since you're Mr Turnbull's constituent, I'd be happy to let him have my question.

Mr Turnbull: Thank you very much, Ms Poole.

The one thing I would like to bring out is that you said in your testimony that you're not the Bridle Path. In fact, this lady comes from the ratepayers' association that I started out in. The story of Bert—and I know who the gentleman is—is typical of our neighbourhood. I wonder if you could just, for the people who seem to think that the people of York Mills are fat cats, explain that this is fairly typical, the story that you've got there.

Ms Filey: Well, I don't know. I'm sure many of you have driven around York Mills. It's a very modest street and the surrounding neighbourhood is identically modest. There are some very lovely homes in the nearby area too, but overall we are a modest community. As I've said, we have a great number of senior citizens. Directly across from me are two individual ladies living in their homes. They've been there since 1950. They're both retired. I'm sure they're facing a crunch. But I assure you that it's not just these people and the seniors. There are people like myself. I do not expect a salary increase this year. I'm not getting any further ahead. This is typical in our community.

The Acting Chair: Mr Frankford.

Mr Robert Frankford (Scarborough East): Well, as a comment, I come from the further part of Scarborough. It seems to me that the home owners there have been discriminated against. They have paid higher taxes for decades now, which seems to be generally acknowledged. My impression is that your proposal would continue this, if it's on size of lots. The more densely packed, in many cases, more prosperous downtown or midtown areas often have relatively smaller lots and have been undertaxed in the past. Your suggestion seems to perpetuate this.

Ms Filey: I disagree, I'm sorry. But our taxes in North York are based on market value assessment of 1988, and what I pay at present and what someone is Scarborough is paying are two entirely different things, for the same house and the same lot size and the same services. The fact—

The Acting Chair: You may finish your thought and then, I'm sorry, we have to wrap up.

Ms Filey: I understand Scarborough's problem, but I don't think market value assessment will solve it.

Mr Frankford: Do you think that—

The Acting Chair: Sorry, Mr Frankford. Thank you very much for your presentation this evening.

TIM McDONALD

The Acting Chair: Our next presenter is Tim McDonald. Come forward, please. You have 10 minutes for your presentation. Would you begin by reading your name into the Hansard, please.

Mr Tim McDonald: My name is Tim McDonald. I apologize if the ink on this handout is still wet. I was informed only yesterday afternoon, rather than Monday as I expected, that I was making this presentation.

I have been an East York resident for 23 years. I live in Leaside, just east of Bayview and just south of Eglinton, and I work at a publishing company in Scarborough. Under full MVA, my house taxes go down significantly, by $500, or about 17%. But I have to say that I really don't like MVA. I can see no redeeming features whatsoever to this scheme. It's simply taking your neighbour's money under false pretences.

I have to say that six weeks ago my life was much simpler. I knew almost nothing about MVA and was not involved in politics at any level, other than as an interested spectator. Now I find myself meeting with MPPs and Metro councillors and speaking before this committee.

I am speaking before you as an individual, but at the same time I want you to appreciate that as well as meeting with York East MPP Gary Malkowski and East York Metro Councillor Peter Oyler, both of whom have spoken out publicly against MVA, I have been working against MVA with most of the ratepayer, tenant and business groups in East York and on Danforth Avenue. So in the short space of six weeks I have become an organizer, with the objective to raise the awareness of the people of East York to the unpleasant realities of MVA and to encourage them to communicate their thoughts on this matter to their representatives at the Metro and provincial levels.

In this process, in the space of about one week, between my efforts and the efforts of the business and resident communities, approximately 400 signed letters against MVA have been sent to York East MPP Gary Malkowski and other MPPs. This was without any kind of general mailing by any of these associations. I feel that with more time and general mailings, it is reasonable to think that rather than 400 letters, we probably would have obtained 4,000, or even as many as 14,000 or more.

I would point out to this committee that the population of East York is about 100,000 and that most of the groups on the attached list, which include the Bayview Business Association, Danforth Business Association, Pape Business Association and representatives from Laird and Eglinton, other areas, ratepayers' associations for Bayview, for ward 3, and also the tenants' association for East York, are all strongly opposed to MVA, even though in some cases many of their members, like myself, get reductions under MVA.

This list includes essentially all of the business areas of East York and the Danforth and most of the ratepayer and tenant associations. While East York is not part of the city of Toronto, it's an adjoining area which, apart from one ward out of its four, is geographically and culturally part of the older city, part of the inner city within Metro.

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The point I wish to make here is that the majority of the businesses and residents of East York are indeed against MVA, particularly in this form of MVA, and join with other inner city areas against MVA. In fairness, I have to note that home owners in ward 1, the ward I just mentioned, and tenants in the newer multi-unit apartment blocks all over East York would get reductions under MVA. In spite of this, the president of the East York Tenants' Association, whom I spoke with just a couple of nights ago, is strongly against MVA because of the continuation under MVA of the inequitable tax rate for multi-unit tenants, which I'm sure all members of this committee know by now is three and a half times that for home owners. This president will be sending a written deputation to this committee, as will several others of the leaders of the groups on the list. Some have also applied already to speak to this committee. Even the president of the ratepayer association of ward 1 of East York—that's the ward where there are reductions—admitted he would like to know more about the issue and asked me to send him information.

My presentation, then, is within the context of the struggle of the majority of East Yorkers against the implementation of MVA. I am going to share—and I'll make this part as fast as possible—what I witnessed as I followed the MVA issue through several layers of government to this committee and my reactions to what I witnessed as an East Yorker.

The Acting Chair: If I could just interject, sir, you have about four minutes left. Your brief seems rather lengthy and I would encourage you to paraphrase and to make the salient points.

Mr McDonald: All right. My experience and awareness of MVA started on my street, where my standard Leaside three-and-a-half-bedroom house has a drop of $500, but I find that my neighbour in a bungalow, also built in 1934, has an increase of the same amount under MVA. I have to point out that this becomes a beggar-thy-neighbour impact from MVA, and apart from that, I still have many more reasons to support my initial negative reaction.

To quickly go through the reasons you already have heard many times, MVA is regressive, it's not related to ability to pay, services provided, the size of the house or the lot and doesn't allow for efficiency of land use. It continues the assessment bureaucracy, which currently has 270 assessors, more or less. My feeling is that 1988 assessments are just as subjective as those for 1940, and indeed they won't change for 10 years from 1988. MVA hides the major decreases due tenants, so it's still unfair to tenants.

I don't think it has a single supportable argument going for it. It's like suggesting that an old car that is worth more simply because of supply and demand should pay more road tax than a newer gas guzzler. Newer houses tend to be on larger lots and to be in areas that are more expensive to service. That is the reason for that.

I suggest better the devil we know and that market prices have adjusted for, rather than a new government-inflicted one that makes no sense for Toronto's volatile market. Please let's maintain a level playing field. This is, after all, the main purpose of government: to provide a stable socioeconomic environment.

Part of the brief runs through my experience in East York municipality. I'll run over that, other than to say that the pleas of councillors both in East York and North York requesting more information on impact studies were essentially ignored by their mayors before the mayors voted at Metro. What I witnessed at Metro—I have to use the analogy that it was gang rape. If that analogy offends you, I don't think I'm sorry. It certainly offended me.

It became apparent at the Metro vote that this was about money and power, not really about fairness for the people. It was about getting more money into the areas where councillors could be re-elected based on getting more money for the constituents, and to get more money from the city of Toronto's coffers into those of the other municipalities. Even with MVR capped, I want to point out that East York, which gains the least of all the municipalities, would gain $1.7 million; uncapped it would be $10 million or more.

I have some criticisms here of the Metro process. I'll skip over those, because I want to get to the provincial responsibility.

The Acting Chair: These would be your concluding remarks, please.

Mr McDonald: I want to point out how it is an untruth to talk about the province supporting Metro's municipal autonomy. That's the whole point: Metro is not a municipality and does not have local autonomy in this matter. The province should wait, even if it's the fall of 1993, for the results of the Fair Tax Commission and indeed, in the shorter term, the property tax working group of that commission.

MVA is quite contrary to the objectives of the Ontario Environmental Assessment Act. I want to point out too that it's against the Ontario planning commission's intentions to increase the intensity of housing and to reduce urban sprawl.

In conclusion, I see this MVR as a replay of the Charlottetown accord, that the majority or a substantial number of the people are saying: "This is not good enough for us. It's not a good, commonsense approach." It doesn't reflect the will of all the people by any means, and I urge you not

to give Metro the power to implement any stage of the proposed MVR legislation either now or later.

The Acting Chair: Thank you for your presentation.

The clerk will be handing out the York Mills Ratepayers' Association brief.

MOHAMMAD AKRAM

The Acting Chair: Our next presenter will be Mohammad Akram.

Mr Mohammad Akram: Good evening, Mr Chairman and members of the committee. My name is Mohammad Akram. I own a properties on Queen Street and I live in the Junction Triangle area myself.

First of all, I would request that it would be wise for the committee to have a tour of the main streets of Toronto, like Queen, Dundas and College, and then you'd know what people's feelings really are, how people are reacting to this MVA proposal.

To be a little personal, there are many people like me who are going to suffer with how MVA will affect their lives. Way back in the 1970s, I bought a house in the Dupont-Ossington area. A friend of mine bought a house in Scarborough. He said, "Downtown is a dump," and he had a good job driving for the TTC. So I said: "It doesn't matter to me. I want to be independent one day." So all along I suffered. His standard of living is far higher than mine. I don't even have a car today; I did not at that time. I saved enough money, so I bought a couple of properties on Queen Street, old stores, apartments above. Neighbours are very happy. I am improving them.

The lot is 12.5 feet by 100 feet. There's an apartment upstairs and a store downstairs. The store gives $560 a month, the apartment upstairs gives $500 a month. The back garage is shared—half goes to the next side—and I get $150 for my share. So out of this, my taxes are going to go from about $1,700 to $5,900 if full market value assessment goes in. What will happen? I think half the year will go to taxes, four or five months, plus I have to pay the utilities; I pay all the utilities there.

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I went next door and the next one too, 12.5 feet, and I asked my neighbours, "What will you do?" They said they will board it up. They will do just like in Chicago. I haven't been to Chicago, but these people have been. When I showed them their future taxes with market value assessment—those people are established; they have their own appliance stores; some of them own—they said: "We can't even pay the present taxes. There's no way we can pay this one." We are right across from the mental hospital and one day a guy just came through the window, just went right in; the whole big glass was broken.

How can you assess properties being on Queen Street or east of us? It doesn't matter. I think the whole assessment process is wrong. If the property is commercial property, it should be done with the income, what kind of income it can generate. If you assess a property that was built in 1895, 1905, 1910, how can you assess it if the property is not generating enough income? It is useless. It's better for people to leave the properties. They can't pay the mortgage, so I believe what people are telling me, that they will do that.

I don't know who's representing me. I read in the media that the Conservatives represent big business and the NDP represents the unions. So for small people like me—what decisions I make; I'm going to independent—I think nobody represents me. Everything I did there I did with my own labour, with my hands. That's my only living. To me it's very sad. I could not believe it when I got a letter from the city that my taxes are going to be so high. I said, "No, it must be some joke," so I came to the office, but they said, "It's true."

I still say it is wrong the way properties, commercial or industrial—I don't own any industrial, but I believe they should be assessed according to the income, not potential. Potential is when it will be there. If they demolish the building and they build some building, okay, assess whatever you like. But this basic assessment process should be changed; otherwise it's the beginning of the decay of the city of Toronto. That's definite. If you don't believe, go on Queen Street from Ossington and keep walking up to Dunn Avenue. Stores are already vacant, and it will continue. It was not so bad before. When I talk person to person, people say they are going to close.

I would say further that since the 1970s I have seen at Spadina and Dundas, Pape and Danforth, or College or Dundas West, that these areas have been wonderfully improved. I believe Metro is punishing these people—most of them, I believe, are ethnic—and this thing is not going to be good for the city or, eventually, for Metro. Nobody will gain anything from it.

I request you to please scrap this MVA. Let's have a new plan, a new procedure where commercial or industrial properties will be assessed according to the income. As to the residential, call it quality of life. If I owned a house in Scarborough with a 50- or 60-foot front—but my house has only a 15.5-foot front, so how can we compare apples and oranges? It's not right. Facilities are there. My friend chose that area; he's happy. I chose this area and I want to keep my will. I want the willpower to do something. I think everything is at a dead end now. Maybe one day I will get out of it.

Honestly, I love this country. When I was in England I said this is the most wonderful country on this earth. But now this will drive me nervous. What is happening here? I went to the Metro MVA management committee hearing, but a Greek gentleman said, "There's no point going inside." I said, "Why?" He said: "In the old days there used to be two societies, the rich and the poor. Nobody wanted the middle one." I said, "My goodness, what is this guy talking about?" It's true. If you continue like this, if the MVA goes through, people will get out.

That's the only thing I would request of you: Change assessment procedures. Assess them according to the income, or the quality of life of the residential properties. Thank you.

The Acting Speaker: Thank you very much for your presentation this evening.

SEATON VILLAGE RESIDENTS ASSOCIATION

The Acting Speaker: Our next presentation is from the Seaton Village Residents Association, with Roslyn Pauker. You have 20 minutes for your presentation.

Ms Roslyn R. Pauker: It won't take that long. I didn't bring any written material; I figured we would spare some trees. You're probably buried under paper anyway.

My name is Roslyn Pauker. I'm the cochair of the Seaton Village Residents Association. We are a rather small area bounded by Bloor on the south, Christie on the west, Dupont on the north and Bathurst on the east. We have a very interesting neighbourhood and one of which the residents are extremely fond. We are an ethnically mixed neighbourhood and economically a very mixed neighbourhood. We have mostly owner-occupied homes. They are quite small. Most of them are attached. We have small businesses on the commercial streets and some small corner stores within the area.

We are very close to the downtown core of Toronto. We are, we like to think, a truly urban neighbourhood. We are densely populated, and I think it's a wonderful place to live. We're very close to good public transit and many of us do not own cars. It's not necessary to drive very much in that neighbourhood. We can walk to most things and we think this is really one of the most favourably situated neighbourhoods in Toronto. It's not fancy, but it's a great place to live.

We feel that the impact of MVA on our neighbourhood will be entirely negative. We are very concerned. We have people who have very modest incomes and they'll be hurt by this. Many people rent out their homes. It is not a particularly wealthy neighbourhood, although there are people who are well off, but for the most part it is not a wealthy neighbourhood.

We have a lot of very small businesses whose property taxes are just going through the roof and they are not going to be able to continue. They are small business people. They're having trouble hanging in now. A lot of them have gone already, and we are concerned that they will be forced out.

What happens to a neighbourhood when this sort of process starts is that you start getting a lot of vacancies on the street and you start losing your diversity. It becomes a place where the middle class gets pushed out. As the gentleman before me was saying, you wind up with the rich and the poor. That is not something we want to see happen. We want to see the diversity of our neighbourhood continue.

I can only speak personally from our neighbourhood. I don't have the ability to give you statistics. Actually, there has been no economic impact study done on MVA, so even if I wanted to, I couldn't be that specific. It seems to me that the effect on our neighbourhood will be reproduced throughout the city of Toronto and that we will discourage middle-income home owners, we will reduce diversity, we will discourage small businesses and we will discourage the kind of model of city development that Toronto represents.

Maybe those of us who live here and enjoy this city lose sight of the fact that a good part of North America doesn't have anything like this any more. When my family comes up from the United States and I take them on walking tours around Toronto, they're incredulous. This is gone from the American city. It just doesn't exist any more. We are lucky to have it. We should work to keep it.

Eventually, I understand, Metro council has to represent the people who elect it. Of course no one wants to pay taxes, and the suburban home owner who feels heavily burdened is represented and Metro reflects that, but Metro will not in the long run benefit if the city core deteriorates. The deteriorating city core is a North American phenomenon. It doesn't happen much in Europe but we've seen what happens here. Once that happens, once it starts to go downhill, you can't just turn it on and off. It's not like a tap. Once those businesses are gone, once people move out, once the schools start to fall apart, you can't just restore it; it is gone, and the crime and the blight spread out from the centre, and they eventually affect the surrounding city.

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You have an opportunity, sitting in the Legislature, to put a stop to this and to try and find a fairer and more equitable solution, one that is more acceptable to everyone concerned. I'm appreciative of the inequity of some of the assessment, because of course it is not based on any kind of reason. It's not based on income, it's not based on size, it's not based on market value, it's random. Surely we can do better than that. But to go just to a market value system is not an answer. It just simply will not work, and you can do better than that.

There is a Fair Tax Commission, which will finish its report in the next couple of years, which I hope will point the way towards a better system. We should have an economic impact study so we can really be more specific than I have been able to be. Above all, you should think about why it is that the Legislature has to act on this legislation. If the only thing that were necessary would be for Metro council to pay us a bill, you wouldn't be here and I wouldn't be here, and there would be no need to have these hearings at all.

But the statute provides for the Legislature to make that final decision, the Legislature which has an overview and can think about the entire province and the value of Toronto to the entire province, a group that is broadly representative and has a duty to think of all the factors that go into making this a fair and correct decision. You are not here just to rubber-stamp whatever Metro council says. Otherwise, we wouldn't need to do this.

I am asking you, on behalf of our residents' association, to listen very carefully to all that you will hear here and have heard before and think about what the effect of this will be.

I am cognizant of the fact that Metro has provided for a cap on assessments, but a cap can be removed. Once this process is there and once you start handing out market value assessments to each home owner and each business owner, there is nothing to prevent that cap from coming off in the next couple of years, because the financial pressures are not going to get any lighter. Before we go down that road, I urge you to reject this in favour of a well-reasoned and carefully considered study. Try and find a better way of doing this.

Ms Poole: Roslyn, thank you very much for taking the time to come tonight. I'm constantly impressed by the calibre of the presentations before us. They are very thoughtful and, to a certain degree, very passionate because people really believe what they're saying, with some justification.

The gentleman we had before you, Mr Akram, lives in the Junction Triangle. He mentioned his house was 15½ feet wide. You've described the houses in Seaton Village, which again are not very big.

Ms Pauker: They're a little bigger. I think mine is 16 feet. They're very small lots.

Ms Poole: I live in North Toronto, so we have very luxurious lots. My house is 23 feet wide, and it has nine inches on each side. I have nine inches, plus my neighbour has the other nine inches, making an 18-inch alleyway on either side of our house, without a driveway.

The Acting Chair: Big enough for a tricycle driver.

Ms Poole: Exactly, except you'd have to go up steps to get up to the—you have to be there to understand. Anyway, the point is that people from Scarborough and Etobicoke believe, I think with some justification, that the present system is inequitable. I think that's one thing that everybody agrees upon. What they don't agree upon is the solution.

What I'd like you to comment upon is the fact that the Bridle Path, Rosedale and Forest Hill are the three areas of Toronto and North York that constantly get used as examples of why the suburbs are subsidizing Toronto and certain parts of North York. I'd like you to describe what most of Toronto and North York is like outside those areas.

Ms Pauker: I live in an attached house, and most of ours are attached houses. It's with a 16-foot frontage and it's a very densely populated area, so our use of city services is quite different from that of the large home. We use, obviously, less water, less hydro, less road space, because we are densely populated.

Not everyone wants to live like that. I chose it and I'm certainly glad I did. As the gentleman before me said, his friend went out and lives in a different house, but it's a far cry from the Bridle Path. I have no backyard at all and my front yard is just a few feet. That's true of the entire neighbourhood. We have a very compact kind of neighbourhood.

I'm not about to give proposals for a correct kind of property tax. I think there has to be some basis in services used when the final decision is made as to how to assess fairly.

Mr Mammoliti: Thank you very much for coming out. Can I ask how much your home is worth, if you don't mind me asking?

Ms Pauker: I honestly don't know. I bought before the speculative boom that Metro proposes to use as the standard. I bought it for $150,000. I have no idea what it's worth now because the values have gone down so much since 1988.

Mr Mammoliti: How big is it? How many bedrooms?

Ms Pauker: There are three.

Mr Mammoliti: Square footage?

Ms Pauker: I don't know what square footage it is. The house is a 16-foot house.

Mr Mammoliti: How much do you pay in taxes currently?

Ms Pauker: Around $2,000.

Mr Mammoliti: Around $2,000?

Ms Pauker: Around $2,000, and the MVA figure would have been a few hundred more. I'm not one of the big losers.

Mr Mammoliti: Yes. It would be just under $2,000 or just over?

Ms Pauker: I think it's a little under $2,000. Just under, something like that.

Mr Mammoliti: I tend to agree with you when you say we need to keep the downtown core the way it is. It's comfortable for a lot of people, and it is unique—

Ms Pauker: Livable.

Mr Mammoliti: —if you compare that to other places in North America. But where I have a problem is to keep it at the expense of others. Those others have to be listened to as well.

Those others are saying, "Enough is enough," and, "If the people who want MVA stopped succeed, we're going to have to wait until the government"—us—"spends another seven, eight years determining what the next property tax policy will be." They don't want to wait any more. They feel they've paid enough. In my community, they're up around $4,000, $5,000 a year for an average-sized home. Those homes in my community don't necessarily have large backyards either, or front yards for that matter.

The Acting Chair: Would you like to begin to wrap up, Mr Mammoliti, please?

Mr Mammoliti: I guess the question I have for you is, what would you say to those who are waiting for their decrease, in response to, of course, what you're asking us to do here today?

Ms Pauker: I'm perfectly aware that a good deal of politics is whose ox is gored. I understand that. But I do think that when you talk about, "at the expense of others," I don't think the answer is really to do something at someone else's expense. I don't want someone to be unfairly burdened, but I don't want to see the city torn apart either.

I think we have to come to something that is fair to everyone and that is recognized as fair to everyone. Of course, it's the ideal of all legislation, and I know nothing is perfect, but I think we can do a lot better than this and I don't think it should take any seven or eight years. The Fair Tax Commission is struck and working—

Mr Mammoliti: No, but it will.

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Ms Pauker: It shouldn't. It's working. There's an interim report out. Maybe one of the things that should be done is some pressure should be put so that we do get to a solution sooner, because I agree with you that the perception of unfairness is not a healthy thing.

The Acting Chair: Could I now turn to Mr Turnbull for his question, please.

Mr Turnbull: Thanks very much, Roslyn, for your presentation. Indeed, the Fair Tax Commission report is supposed to come out almost immediately. It has been suggested it might be out by the end of next week. But by that time it's the government's intention to have this legislation passed through. Why would you pass it through at a time like this?

Of all the presentations we've had here—and I might have miscounted—to the best of my recollection six of the innumerable presentations we've had have spoken in favour of market value. Two of those people had strong vested interests. One was Tonks, the chairman of Metro, and the other one was Mayor Trimmer. Four other people have spoken in favour of it.

All of the people who have spoken against this market value, every single one of them has said he or she is in favour of fairness and recognize that the present system isn't fair. There was no suggestion of wanting to keep the status quo, but they were saying, "This is not the way to achieve fairness." I really appreciate what you've had to say. I don't really have a question. I just want you to reflect on the fact that the government seems to think that it's managing to get those fat cats. I don't think many of the people who have been here represent the fat cats. They're hard-working people who are paying their taxes. Maybe they're paying a little bit less than they should and maybe a new system would adjust that, but this doesn't seem to be the right way. Why not wait for the Fair Tax Commission report in a week? Would you just like to respond?

Ms Pauker: I couldn't agree more. It just seems to me that to go ahead and institutionalize, legislate a mistaken idea is truly a mistake. It's hard to undo legislation, as you all must know.

The Acting Chair: I'd like to thank you for your presentation tonight and to congratulate you on living in compact urban form, the wave of the future.

Ms Pauker: One hopes.

Ms Poole: The only problem with compactness is that in the city of Toronto we're not allowed to have garburators because our sewer pipes are too small.

COSTA KOTOULAS
BESSIE KOTOULAS

The Acting Chair: I would now call on Costa Kotoulas. If you could state your name for the Hansard record, then you have 10 minutes, please.

Mr Costa Kotoulas: My name is Costa Kotoulas. I live at 3 Northcliffe Boulevard. I'm here tonight to talk about the MVA system, which is unfair to everyone. I have my daughter here. We're going to share the time tonight. She's going to read the speech and I'm going to respond to the questions. Is that fair with you?

The Acting Chair: Fine, but if she could put her name into Hansard as well, then she could just begin.

Miss Bessie Kotoulas: My name is Bessie Kotoulas. I also live at 3 Northcliffe Boulevard, apartment A.

Mr Kotoulas: Before my daughter starts the speech, I want to ask a couple of questions to the present committee. Can I?

The Acting Chair: This will be part of your time. You can do your presentation any way you wish.

Mr Kotoulas: Yes. The first question I want to ask this committee is, how many of you have the time to come to the Metro hall to attend those MVA meetings and listen to those people who spoke there? How many of you? So only the Liberals or the Conservatives. You know what I mean? Not one of the NDP, because already the deal is cooked.

How many of you here, before coming to this committee, had the opportunity to listen to those tapes—you know, like one who speaks has a tape.

Miss Kotoulas: Recordings.

Mr Kotoulas: How many of you took the time to listen to 40 hours of tapes the public was talking about for MVA? Not one of you, and you sit on this committee to make a solution. I don't think you can.

The other question is, how many of you are aware of those ads the city put out? They cost us over $100,000, but the city had an obligation to put out them because the city thinks we pay enough taxes. We put over $360 million to East York, North York and Scarborough, our money, and now the Bob Rae government needs another tax grab from us to spend more. No, this has to be stopped. That's why the city spent that money, because the city thinks we pay enough. We can't afford to pay any more, because when the cow doesn't produce any milk and you're still squeezing, you get blood.

Thank you. Start the speech.

Miss Kotoulas: Members of the committee, ladies and gentlemen, I am an owner of several properties within the Metro Toronto limits. My name is Costa Kotoulas, and I wish to give you a brief outline of why I feel it is necessary to make my voice heard on the issue of market value assessment. I am no one special; however, when it comes to paying taxes, I then become someone, according to the eyes of the government.

I immigrated to Toronto in 1969 and have laboured long and hard with my wife to provide a decent living for my family. Over the past several years, I have managed to purchase several properties, with the financial assistance of the bank, one being a one-half interest in the properties municipally known as 618, 620 and 620A Bloor Street West. At the time I purchased a one-half interest in these properties in 1987, the appraised value was $1 million. However, in 1988, the following year, the city reappraised these same properties, total frontage being 55 feet by a depth of 95 feet, as having a value of $1.76 million, resulting in a 76% increase. If I were to sell these properties at today's appraised value, the properties are worth less than the original purchase price in 1987, not taking into account the overinflated value set by Metro Toronto in 1988. Currently I pay $16,000 in realty taxes. However, with the new proposed tax increases under market value assessment, my taxes would increase to $35,000, more than a 100% increase.

I'd like now to take this opportunity to ask you, where am I going to get the money to pay the additional $19,000 in taxes, as my options are very limited, because (a) I have an existing mortgage of $425,000 on these properties; (b) these properties are more than 40% vacant; (c) my present tenants are requesting decreases in their rents because their cash registers are empty. If I do not decrease rents, I end up with a vacant store.

All in all, my hands are tied and my pockets are empty. I cannot turn to the bank for help, because if I did so, this would only be a temporary measure. Even if I did apply to the bank, I have been informed by the bank that my income from these buildings is not sufficient to cover my expenses.

This proposal is literally going to force myself as well as my tenants out of business. Just as much as the city depends on its taxpayers for money, I depend on my tenants for income to meet my expenses.

I hold in my hand a list of commercial properties around my area, and this list states: Property taxes at $1,700 will increase to $7,000; property taxes at $3,000 will increase to $14,000; property taxes at $5,000 will increase to $26,000; and so on.

In addition to realty taxes, business taxes would also be affected. Attached is a notice given to one such business owner where it states his business taxes are to be increased from $4,683 to $33,282. This increase is also compounded by the fact that most businesses, as part of their rent, also reimburse their landlords for a portion of the property taxes payable. How can businesses exist when they are working just to pay taxes in one form or another?

It was also brought to my attention by June Trimmer, who indicated that in Scarborough a home having a frontage of 50 feet assessed at $300,000 pays $3,200 in taxes, whereas a similar property in Toronto would only pay $1,200. I would like to see where her figures were arrived at, as my property in Toronto, having a frontage of only 40 feet with an assessed value of $417,000, carries a tax of $7,466.04.

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I put the following questions to you:

(a) How can you collect taxes from people and businesses when there is no money to be had?

(b) How do you collect from businesses when the stores are now empty?

(c) How do you expect a person who collects rental income of $12,000 to pay taxes totalling $14,000?

If you are proposing changes to the tax system, I would suggest that you find an alternative to market value assessment, and I would point out to you that the property owners pay, as part of their property taxes, 75% of the total bill for schools, education and police.

The right to education and protection is a right shared by all, yet we continue to hear the government state that we should change to a user system. It would therefore be feasible that the burden of supporting our schools and police be shared by all. After all, why should the minority pay for the majority? Tenants have a greater number of children attending our schools and a greater voice in how money for education is to be spent. Why should they then not be required to contribute to the financial burden?

The more taxes the government increases, the higher it pushes the inflation rate. Please stop spending and increasing taxes, because it's the only way we can all survive. Tax increases are digging our economy's grave, and by bringing in this proposal, a lot of small businesses will be put out of commission, a loss we can ill afford. This will not only be disastrous for the owners and the employees but also for the government itself.

The taxpayers pay enough taxes as it is. Every day, there's an article in the newspaper about our government asking for more taxes, but there are no articles setting out the government's attempt at cutting spending. Just like the residents of Metro have cut their spending, the government must also reduce its spending if it plans to improve the economy. If you come to my house and look in my kitchen cupboards you will see that they are less than half full compared to what they used to be. Why, you might ask? Because I have to pay my bills, and cutting corners is the only way to do so.

Market value assessment is not only unfair to property owners but to everyone in general, from tenants, both commercial and residential, to the average consumer who will ultimately pay the price. When a commercial location is rented, it is generally rented based on square footage and not volume. Volume is like the stock market: Today you may be rich but tomorrow you may be poor, and if everyone becomes poor, the welfare population will get bigger. This will be bad for our city, and you will be the ones responsible for it because you are the ones who started the market value assessment.

I ask you once again: Please vote against this proposal. Thank you.

The Acting Chair: I'd like to thank you for your presentation and I'd like to also thank you for your contribution to this process.

Mr Turnbull: Mr Chair, can I just correct for the record? I want to point out that tenants do pay taxes. I want you to understand that tenants in apartment buildings pay a very high amount of taxes. It's hidden inside their rent.

The Acting Chair: Sorry, Mr Turnbull, but we're running a little over time here.

Ms Poole: In 10 seconds, can I clarify? I think they meant business tenants, not residential tenants. Didn't you mean, when you said tenants have more children—

The Acting Chair: I will, in the essence of fairness—

Mr Kotoulas: That's correct. You see, the system penalizes the home owner. A boy or girl or anybody who works hard to buy a home because he likes it then has to pay taxes for tenants who have five, six kids, and maybe the guy who bought the property doesn't have any kids at all.

The Acting Chair: I'm sorry to have to cut in, but I must because we have other deputations. Just as a clarification, the mayor of Scarborough's name is Joyce Trimmer. Thank you for your presentation.

Miss Kotoulas: That was my mistake; I'm sorry.

Mr Kotoulas: That means there are no questions for us.

The Acting Chair: I'm afraid you've run out of time.

EDNA HUDSON

The Acting Chair: Our next presentation is Edna Hudson. You also have 10 minutes.

Mrs Edna Hudson: Thank you. I am Edna Hudson. I am the co-owner of 63 Rowanwood Avenue; that's the only property I own.

I am very glad to have this opportunity to speak to you tonight. I live in the south Rosedale district of the city in a nice but not overly grand house that I like very much. Indeed, I hope I will continue to live there and I want to be able to live there as long as I live. Whether that will happen, of course, is not certain.

My husband and I adopted Canada as our homeland many years ago when we were both young. We had hopes and expectations of many kinds. We hoped Canada would provide us with opportunities to use our talents, education and willingness to work. We have found Canada to be a kind and generous land. We have achieved a good many of our hopes and have enjoyed a full life. We have raised a family. We have been part of the ongoing task of building the country. We have reaped happiness as well.

We look forward now to an impending retirement, but suddenly the rules have changed a bit. The threatened doubling of our taxes, if implemented, would consume half our retirement income; that's just a fact. Retirement has been anticipated, by me anyway, to be a time in my life when I would have time to make peace with the world, to achieve finally some wisdom in living. It is this peace of mind that is attacked by MVA.

Market value assessment is, I feel, unfair to those already retired or facing retirement soon. It puts an additional burden of uncertainty also on those who are faced with loss of job. You see, for a woman of my generation, a house represents certainty of shelter and nurturing that should be worry-free once owned.

It's true, of course, that life holds few certainties, but loss of a job and difficulty in finding another represents much larger areas of uncertainty and worry to the individual than they did when our economy was more robust.

Is MVA a fair tax? First, the point I suppose I have been making is that MVA bears no relationship to the income of the home owners. Second, if the city were to adopt MVA, set its income by real estate values, that city would expect a fluctuating income. Real estate values rise and fall with the state of the economy. In the economics classes I took, housing starts were a basic measure of economic activity, so real estate values respond to demand.

In the ideal case, of course, the city will change its MVA base valuations every year instead of only every five years or so. To be really fair and honest in its devotion to the MVA principle, that's what it would do, but I'm not going to get hung up on details of implementation.

Now, the resale value of any property can change in response to neighbouring properties and what happens to them. Market values really do go up as well as down; down as well as up. For example, more intensive development or the building of a freeway nearby can and will depress all property values in the area. Or if the neighbours go in for gigantizing their properties to maximize their investment, that would increase the average value of properties of the neighbourhood irrespective of what an individual did with his own property.

This kind of value fluctuation is largely out of the control of the individual. How does the city feel about participating in the economy, sharing fluctuations in income?

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Third, a point about the MVA tax following on from the previous point is that MVA represents a tax on enterprise. If a person finds a way to exercise his or her skills to increase the value of his or her home without adding to the cost of services required of the city, why should he or she be required to pay more in taxes?

If you don't wish to accept that, consider this fourth point: Why does the city not tax people on the value of their furnishings? An investment in electronic gear can flatten your bank account, leaving less to be declared as investment when the federal and provincial tax forms are filled in. But the value hasn't all been consumed. So why don't we tax the capital that has been converted into hi-fis and home computers? Surely they're a store of value, the same as a house.

The fifth and most important point: The MVA income to the city bears no relationship to expenses. Expenses incurred by the city are for services, basic things like fire departments and roads, education and administration. These are predictable and non-varying expenses, or they should be. Why should the city be discontented with a fixed income? Why does the city want a variable income?

Sixth point: The MVA basis for taxation can be seen as a capital gains tax, paid ahead of realizing your capital gain of course, but nevertheless a tax on what you might get if you did sell your property. Supposing that you held on to you your property through all the years, but despite the efforts of the city, your property lost value dramatically. The loser is the home owner, unless taxes can be adjusted retroactively, because under MVA taxation, the home owner has been taxed for a capital asset that turns out to be illusory.

This idea is easier to see in operation if you think of a pensioner who owns a house and decides to let the taxes accumulate. The city will set up an account which must be satisfied on the death of the owner. The city may have 30%, 50% or more of the MVA of the house owing to it—we've a long-lived pensioner here, you see—and of course the city must get paid from the estate.

In this case, it's easy to see that the city is interested in getting money owed, and nothing more, from the property, yet the city will have a large interest in the capital transaction. How can we be confident that fair market value will be achieved in the sale of the property when a dominant player, that is, the city, is passive in the transaction?

There are other scenarios. Suppose that a house were to lose so much value that the taxes owed could not be recovered from the sale of the property. Suppose there are no heirs—anyway.

Seventh point: If the city core loses its resident home owners and loses its businesses, it has lost its value. If this MVA tax proposal were allowed to win the day, business owners will respond by closing down their businesses and the middle classes will move away, leaving the heart of the

city to the very poor and the very wealthy. The city then is not a livable city.

The Acting Chair: Could I ask you to wrap up, please, because you're almost at the end of your time.

Mrs Hudson: One paragraph?

The Acting Chair: Yes.

Mrs Hudson: It may be that the number of the middle class is shrinking anyway. The downsizing of many businesses brings in its wake many shipwrecked hopes. But I believe we can choose a good future for our city. We can find the desire and the courage to cherish our cities. We need them. Let MVA perish.

The Acting Chair: Thank you for your presentation. Unfortunately, we have no time left for questions.

Mrs Hudson: Thank you very much.

The Acting Chair: Our next presentation is by the Metropolitan Toronto Civic Employees Union, Local 43, Margaret Gardner. Is she present?

KINGSWAY PEOPLE

The Acting Chair: Then I would call Kingsway People, Harold Bradshaw, to come forward, please. If you could please state your name for the record and introduce your fellow panellists, we can then begin. You have 20 minutes for your presentation.

Mr Harold Bradshaw: Thank you. My name is Harold Bradshaw.

Mrs Grace Hunter: My name is Grace Hunter.

Mr Eric Jones: My name is Eric Jones.

Mrs Marion Jones: My name is Marion Jones.

Mr Bradshaw: Mr Chairman and members of the standing committee on social development, I'm here tonight representing a number of concerned citizens of the Kingsway in Etobicoke. Our taxes will be greatly increased due to the implementation of market value assessment. On my street alone, the average increase would be about $2,000. Our taxes will all be between $5,000 and $7,000 if full market value is implemented, not including annual increases.

We are very concerned that the provincial government has the gall to say that this is not market value assessment and like to refer to this bill as the interim reassessment plan. Because it is market value assessment, the values of our properties will be changed to reflect what has been termed market value by the provincial assessment officers.

Another grave concern of ours is the clause in the act that allows the implementation of full market value upon the sale of our properties. Mr Cooke is saying through one side of his mouth that the government is very concerned with this. As home owners, we're being unfairly penalized by this feature. He does not want the bill to go through with this clause, yet Mr Cooke plainly gives Metro, through the implementation of a bylaw, the ability and the power to proceed with this facet of its plan.

I fail to see the difference between the two, especially after it was reported in the Toronto Star on Tuesday, December 1, that Mr Tonks intends to proceed with the bylaw, with his council's support. If it is clearly the position of the provincial government that it doesn't want this facet enacted and that the government is so unhappy with it, there should be no condition under which Metro is allowed to implement this clause.

It is important to point out that the current provincial government, in its election platform, was clearly against the implementation of market value assessment and is prepared to do an about-face and pass this legislation. The very least we think should be done is that the government should allow a free vote in the Legislature on this issue so that the members can vote on their own convictions and not on the revised party line.

It is a shame that people have to take time out of their busy schedules to ensure that the elected politicians do the jobs they've been hired to do. We the taxpayers, the people of Metro, are sick and tired of the games being played between the province and Metro at our expense.

If a taxpayer calls Metro, Metro says that the province has given it only one choice: market value assessment or the status quo. If a taxpayer calls the province, the province says that Metro is the one that has the choice as to how its taxpayers are assessed and that Metro chose market value assessment.

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Metro has not only chosen market value assessment, but also 1988 as its base year, a time of economic boom, a time of speculation when speculators pushed the prices of our properties through the roof, a time when properties in particular areas were going up out of proportion to other areas and are now being penalized for this. However, since then, the values of these same properties have fallen in proportion to their rise, but again out of proportion to other areas.

If the constitutional accord taught our politicians one thing, and one thing only, it is that we the taxpayers, the people, are sick and tired of these games. It is about time to start listening to what the people are saying and to stop playing games. We the taxpayers are not going to stand for this any longer.

There are a number of reasons for our taking this very strong position against market value. As we see it, there are at least 10 things wrong with market value assessment.

Market value is not based on market value. Part of it is a secret formula, part of it is guesswork and none of it is what you can buy or sell your house for on the open market.

I have attached two schedules to my handout. Schedule 1 is my summary of how the assessments are arrived at, with a map of the Kingsway's economic areas, whatever they may be. It took months to get this information from the regional assessment office. I would advise you to read this to see if you can figure out how your house is assessed.

In this schedule, my house is used as the example in the calculation. It has an adjusted sales price of $475,200, yet its MVA is $589,000, overvalued by $113,800. Another sale in our economic area was for $1.010 million, and that house has an MVA of $703,000, undervalued by $307,000. This evaluation system is horrendous. It is more erratic than the old system.

Schedule 2 is a summary of actual sales in 1988 as compared with MVAs. You can see that there are large variances throughout Etobicoke, not just in our ward.

The most glaring example I have come across is a house at 48 Valecrest Drive in the Edenbridge area. The purchaser bought this house for $1.95 million in October 1988. Under MVA this property is valued at $782,000, undervalued by $1.168 million. Another is 35 Burnhamthorpe Park Boulevard, which sold in August 1989 for $860,000, yet its MVA is only $373,000, $477,000 undervalued.

It is not pleasant to be ratting on my neighbours, but this proposal leaves us no other choice. It pits neighbour against neighbour in order to see that MVA is being applied fairly. What a mess. From my limited sampling, I have found many serious errors. I know there must be many more. I would like to know where the fairness is.

MVA attacks our most important asset, our homes. One buys because one knows the price. One buys because one knows the maintenance charges, including the taxes. Re-evaluation every four years will change both in ways we cannot control and cannot estimate.

MVA is a divisive political tool. Each round makes winners and losers, and the confusion is ideal for sliding in unwanted tax increases. Politicians can be good at that, and we don't think we need to give them this power.

MVA attacks the elderly. With time, your property value goes up while your income comes down. MVA hits the surviving spouse with the biggest tax bill, just when he or she can no longer generate more income. Call it old age insecurity.

MVA attacks businesses by loading them with taxes they cannot possibly pay out of earnings. MVA simply doesn't care about earnings.

MVA blocks the resale of homes. Re-evaluation changes the value of every home. Who will invest when their investment can be lost at a whim?

MVA stifles the growth of new businesses. Re-evaluation makes just one more uncertainty that discourages investment.

MVA blocks mobility. If you are in a place that is undervalued, you will be loath to leave it. If you are in one that is overvalued, it will be hard to sell. MVA is the most expensive assessment to make. It takes years to do and then it must be redone again and again. After that, MVA leads to appeals and appeals and appeals.

What about fairness? Who uses most municipal taxes? Families do. Families use schools, and there goes half the money. Families use parks, libraries and much of the roads and public transit.

Who uses the least municipal taxes? City businesses. They use no schools, they use no parks, they use no libraries. They have small frontages with little road costs and they use little public transit.

Who pays the most taxes? Last year city businesses paid the same property taxes as homes three times their size because frontage on commercial streets costs more. Then they paid business taxes, as well. Metro said this was unfair. Businesses already paying more for less should pay two to five times more again. This is not equity. This is madness.

The Metro plan calls for creeping increases. The idea is that no one is supposed to notice that his taxes are slowing going out of all proportion. But what if one has to move? The new owner has to pay much more than his neighbour. Why? Simply because he just moved in.

What about lifestyles?

Some people choose to live on small, costly lots in the downtown core. They pay a lot more for their property and get less for their money; however, they travel less and pay less for transportation and cars. Many have small families or need no schools.

Some people prefer suburban life. Farther out, land costs are less. House costs are less. One gets more home for your money. But the lower density costs more to service. Distance requires more expenditures on transportation. More families, hence more need for schools.

Under MVA, the greater the density, the less service you need, the more you pay.

Some people buy and invest in one place. Some people rent and enjoy the mobility. What does that have to do with the level of municipal service used? Some people even invest in businesses and stores. They have even more at stake because their livelihood depends on the stability of the neighbourhood that provides their customers.

Municipal tax is just one factor you must know in choosing where to live or work. Like other factors, it should make sense; that is, the amount should be appropriate for the service being offered. Like other factors, it should be predictable so that you can rely on it staying appropriate in the future.

The Metro plan for MVA splits new buyers from old tenants. It makes predictions about the future impossible. In many areas, people will be forced to uproot their families and move to areas that are more affordable. Re-evaluation every four years could impose this burden on them repeatedly.

It happened in Kitchener. In the first round of their MVA, the city got hit hard and the suburbs basked. The city cried foul. The second time around, the suburbs got hit hard and the city got the reductions. The suburbs cried foul.

Another reason why MVA should be stopped is to wait until we hear from the Fair Tax Commission. One of the criteria of the Fair Tax Commission is the ability to pay. MVA does not meet this criterion. What does the value of one's home have to do with the ability to pay taxes? If we are to be taxed on ability to pay, let us tax incomes. Anyway, why waste the taxpayers' money on the Fair Tax Commission if the government does not intend to use its report?

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We believe in the premise that if one is going to complain about the current process, one should offer an alternative. Here is our proposal. It is basically the unit value system. Taxes should be based on a designated general use of the property such as residential, business, recreational, multiple-unit housing; square footage of the property; square footage of the building, and then apply a mill rate.

It is plain. It is simple. It would take a quarter of the staff in the assessment office to manage. It would also be fairer and more stable. MVA fails on all of these counts.

It is very disheartening to read in Hansard that many of our politicians think we have accepted this. They want to know where we are. They don't see us in the gallery and they don't see us demonstrating. It is a very busy time for

most of us and frankly we're getting tired, but that doesn't mean that we accept this. We are too busy trying to make a living out there to pay these taxes.

In closing, I hope that our contribution tonight has been of some value. We feel that within our hearts we have done all we can to represent our friends and neighbours, because our elected politicians have abandoned us.

The Acting Chair: Thank you. We have four minutes and I will begin the questions with Ms Poole. If we can keep them short we'll be able to get through each caucus.

Ms Poole: Thank you very much for coming tonight. Not all your elected politicians have abandoned you but perhaps not enough—

Mr Bradshaw: My elected—

Ms Poole: Oh, your elected politicians. Okay. Some of us are still fighting, although we share with you the disheartened attitude and also the fact that we're very tired.

You mentioned so much in this brief that I totally agree with. In fact, I totally agree with every part of it. But there are a couple of things I was going to bring out. On your first page you talked about the point of sale and that you have a lot of difficulty with Mr Cooke saying, "Oh, yes, but we've provided a mechanism for Metro to change its mind on this."

Since Metro council has voted on this three times and since Metro council has decided three times that it agrees with full MVA on point of sale and since Metro council is dominated by suburban councillors who are, for the most part, in favour of market value assessment and full implementation, do you place any credence or do you have any hope that Metro council, when it looks at it a fourth time, will change its mind?

Mr Bradshaw: Of course not. Mr Tonks says he is going to pass a bylaw to put it through, according to the Star. It's crazy. If they believe it's that unfair, then it shouldn't be there. They should just disallow it, period.

Mr Rizzo: I want to thank you for being here tonight. I also want to congratulate you on your brilliant presentation. In spite of a political difference, I also agree with you but I want to point out a couple of things.

You are criticizing the fact that the value for 1988 has been the highest because we were in a period of boom, but I can tell you that if the assessment was going to be done in 1987 or 1989 or 2000, it wouldn't make any difference to the total amount of taxes you would pay because they are all comparable to each other. The total amount of taxes that are going to be collected would be the same, so it makes no difference which year the assessment is done.

Mr Bradshaw: I agree with that.

Mr Rizzo: Okay. Let me finish. I agree with you again with the fact that this is a mess and has been a mess since its creation. This market value assessment has been created by those friends down there when they were in government. It was not created by the NDP. The NDP always fought against MVA and we are going to keep on fighting against MVA. But what we have to understand—

Mr Bradshaw: Why are they going to put it through?

Mr Rizzo: What we have to understand is this. We have a proposal by Metro and Metro has autonomy.

The Acting Chair: Wrap up, please, Mr Rizzo.

Mr Rizzo: They are entitled to ask us to enable legislation of what they approve—

Mr Bradshaw: That's the point.

Mr Rizzo: —and that's all they are going to do. As a matter of fact, we interfered with that and told them, "Please come back and make sure that you are not going to have full market value assessment for people who sell their homes." That's the only thing we've done and the only thing that we were able to do.

What we are telling you and what we are telling the people of Metro, at least on my part, is that I'm going to vote for this because it's a little bit better than what we had before. But we are also saying—

Mrs Jones: Not for us.

Mr Rizzo: I can give you examples—

The Acting Chair: I'm going to have to ask you to terminate—

Mr Rizzo: We are also saying we are not going to allow Metro to go to full market value. In the meantime, we are going to make sure we are going to have a new type of tax before 1998.

Interjection.

Mr Rizzo: Now, why it's more fair; I can tell you. In my area, the area I represent, 57%—

Mr Jones: Marion has a question, please.

The Acting Chair: Mr Rizzo, you're running the clock out.

Mr Rizzo: Why should I have my constituents, who have been paying thousands, literally thousands of dollars more and now they should have thousands of dollars in credit and they're only getting 50% while other people—

The Acting Chair: Thank you. Mr Rizzo.

Mr Rizzo: —for the same value, other people in Toronto are paying much—

The Acting Chair: Mr Rizzo, please.

Mr Bradshaw: Is market value assessment the route to go?

Mr Rizzo: No.

Mr Bradshaw: Is that a fair route to tax people on?

Mr Rizzo: No, it's not.

Mr Bradshaw: Then we are in agreement. Market value assessment is garbage.

Mr Turnbull: Thank you very much for an excellent presentation. You can tell by the doubletalk you've just heard. This is the kind of nonsense we've got. You've proved the incompetence of the assessment. You're showing that it doesn't work and it is not correctly done and yet we have the doubletalk that the NDP is against—

The Acting Chair: Language, please, Mr Turnbull.

Mr Turnbull: —MVA and at the same time they're saying they're fighting against MVA and they're going to put this through because they have no choice.

Mr Mills: So are your party members.

The Acting Chair: Excuse me.

Mr Turnbull: All of your party voted for this.

Interjections.

The Acting Chair: Excuse me, Mr Turnbull. Excuse me, Mr Mills.

Mr Turnbull: Don't give me this nonsense. All of your party voted for it.

The Acting Chair: Mr Turnbull.

Mr Turnbull: They fought on the last election—

Mr Mills: Don't give us this holier than you.

Mr Turnbull: You are so hokey. Everybody voted for it against what they said.

The Acting Chair: Mr Turnbull, this is really counterproductive.

Mr Turnbull: Can you believe this kind of nonsense?

The Acting Chair: Mr Turnbull, please.

Mrs Hunter: We have to pay for this.

The Acting Chair: Thank you. Thank you for your presentation and—

Mrs Jones: And we don't like it.

Mr Mills: Holier than thou.

Mr Turnbull: What do you mean, "holier than thou"? Some people campaigned against it, and every one of you—

The Acting Chair: Mr Turnbull, Mr Mills, if you would mind, please—

Interjections.

The Acting Chair: I'd like to call the next witness, please.

Ms Poole: You still haven't figured out you're the government.

Mr Turnbull: It's absolute hypocrisy. You're trying to have it both ways.

The Acting Chair: Please, Mr Turnbull.

Mr Mammoliti: Control yourself, please.

The Acting Chair: Mr Mammoliti.

Mr Turnbull: I have this interjection from Gord Mills—

The Acting Chair: I'd like to call the next witness, Mr Turnbull.

Mr Mammoliti: If you can't control yourself, leave.

Mr Turnbull: People who can't control themselves—I've seen you bring Little Red Riding Hood into the record of committee meetings.

Interjections.

The Acting Chair: Could I have Doug Carroll come forward, please. Mr Mammoliti, Mr Turnbull, I would caution you. This is very counterproductive and I think it would be very good for the witnesses if they could expect to come before a committee that has control of itself, so please, Mr Turnbull—

Mr Turnbull: I would suggest to you, if we didn't get the interjections from the parliamentary assistant—

The Acting Chair: Mr Turnbull, I am asking you to calm down.

Mr Turnbull: Ask the parliamentary assistant not to interject with his stupid comments.

Mr Mills: It's the truth.

The Acting Chair: Mr Mills—

Mr Turnbull: It isn't the truth.

The Acting Chair: It is counterproductive. Please contain yourself.

Mr Turnbull: It's the truth that all of them voted for MVA.

The Acting Chair: Mr Turnbull.

Mr Mammoliti: On a point of order, Mr Chair.

The Acting Chair: I would just prefer to move along with the deputation.

Mr Mammoliti: On a point of order, Mr Chair.

The Acting Chair: No, I think I will move along to the witness, please.

Mr Mammoliti: There's a point of order—

The Acting Chair No, I think I'll move along.

DOUG CARROLL

The Acting Chair: If the witness could perhaps use the mike and read your name into the Hansard, we will then proceed to your deputation. Thank you.

Mr Doug Carroll: My name's Doug Carroll. I'm not sure what presentations you already heard. I have sort of a body of qualitative commentary I just want to make.

The Acting Chair: We have allocated 10 minutes for your presentation. You can either use all of it for your presentation or you can use part of it and leave time open for questions at the end.

Mr Carroll: It seems to me that the purpose of collecting the taxation at all is a combination of delivery of services and also redistribution of income in that it's a sliding scale that depends on asset value, as it presently seems—the value of a property or whatever; 55% of it's education; that's the biggest single chunk.

I've got a problem with MVA because it appears to be a capital gains tax on unrealized capital gains, which is a fairly remarkable entity. Even Revenue Canada will not ask people to pay tax on amounts they have not yet realized in profits in a case where a property has gone up in value. It seems to be an effort at an income tax. I assume its purpose is to distribute the cost of services according to those best able to pay for them, and in that sense it's a good thing that's being attempted.

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I don't feel that MVA is a particularly articulate way to do it, because people's income does not necessarily track their asset base. Also, especially in terms of market value assessment, somebody's property could readily go up without his having anything to say about it. They had no intention to increase their income to those levels, but somebody else comes along and says their property is more valuable. It's almost like enforcing community income standards on people who are really just trying to live their

lives. I think it substantially interferes with the meaning of what home ownership is when you have a situation where the city is charging what amounts to a yearly rental for somebody's own property. That's the difficulty I have with it.

The value base, as I understand it, is 1988. That was a speculative bubble year, the peak of the market. I've also heard of a sliding three-year scale. I don't know whether it's going to continue to slide through the entire period over which market value might provide an assessment of somebody's tax debt.

It provides wild cost variations. Somebody can't predict ahead of time what his costs on his own home are going to be, or on any property he owns. Another assessment of its value could come along at any time. Someone else could offer higher amounts of money for a nearby property. At that point they no longer have cost control. As we know, properties can go up by a factor of four in four or five years. We've just seen it. In that sort of situation, somebody trying to plan his actual costs is going to find himself wildly out of line.

Another thing is that anyone who tries to improve his property, rather than taking the usual pride in ownership or whatever is going to find that he has tax collectors coming around, quite rightly according to this proposed law, to charge him more money for the improvements he's made, which are going to be valued at the market cost of labour even if he provides the labour himself. It's a disincentive.

A lot of people seem to be presently oppressed by the system as it is. Home owners are likely to encounter difficulties, as mentioned. The downtown area is 27% of the population and makes a 42% tax contribution, which is a mix of business and residential—60% business and 40% residential. There's a net $300-million outflow from the city of Toronto on education, which is quite a subsidization for anybody. It's hard to see, in my mind, why the downtown core could be expected to pay higher taxes and therefore why a system designed to relieve inequities between the surrounding areas and the downtown core, those supposedly more valuable properties, is justice.

Another thing is that the suburbs, the areas that are the most likely to benefit from this initially, make extensive use of the downtown core and its services and require it as a cultural centre. The downtown core is good for them; it's good for everybody. They work downtown, shop downtown, play downtown. All the facilities that are downtown are used by everybody.

Business presently pays 75% of its rental dollar in the form of tax. This is the highest rate in the world, as far as I know. London, England, has a 56% rate; New York, the financial hub of the universe, has a 49% rate. I don't know what more you could expect of your business users if you charge them much more money. If you took another 25%, they wouldn't have, really, any landlord at all except for the city.

Mr Frankford: Can you explain that?

Mr Carroll: Of their total rental dollar, apparently 75% is going in tax. If another 25% went, they wouldn't pay any money at all to their actual landlords. It would all go directly to the city.

If votes were proportional to tax paid, business would run Toronto. Tax without representation: You figure that the only vote a business has got is through its owners or direct participants. If those are maybe even 5% or 10%, they're underrepresented in proportion to their tax contributions. They may well be driven out of the downtown core by tax; 17% of the businesses are likely to see a 100% increase if MVA comes through. That's a lot of money. Small merchants are also going to be in trouble. Everybody shops there.

Tenants are oppressed with a 250% higher tax than the equivalent residential space. Maybe you already know this. It's taxed as commercial space because it's an income property. This is a real problem and it's not addressed in MVA. I don't see how a system which promotes inequity like that could be considered a fair bet at this time. It means that tenants pay more for everything than equivalent nearby home-owning residential people.

There's no guarantee in the MVA of reductions being passed through to tenants if they should occur, but there is the possibility of a 10% increase. That's the limit of the cap, as I understand it. It's a strong exception to the philosophy of rent control and of evenly dividing costs.

I consider MVA to be a document founded on division between different special-interest groups: It divides the suburbs versus the downtown core, it divides business versus residents, it divides developers, who see an immediate MVA tax increase with no cap, versus everybody. Even Go Transit is likely to be negatively affected by it. You'd think that would be a community project. The philosophy of division in a political document is not—I mean, it may work, it may be politically expedient, but it's somewhat reprehensible. It basically divides people against each other and doesn't really work to a synergistic whole. I believe MVA is, unfortunately, in that category.

The wrongs it tries to address are real. I think there can be a solution which will satisfy everyone, and I sure hope it can be found. I think it's good political insurance in the long run to take a philosophical position of resolving inequities, and that the absence of that philosophy can turn back on you. You could be a member of one of those minorities at any time yourself. It's no use building a political philosophy around oppressing people who aren't necessarily able to fight back at any given political situation.

I hope there'll be some consideration for all the needs that need to be met here, those of the suburbs and those of the downtown people. Although MVA is intended to address those things, it's too inarticulate a document to be accepted at this time. As you folks, members of the NDP, have a mandate to try to redress inequity wherever possible—I guess any government does—I sure hope you'll see a way to wait for the Fair Tax Commission report since it's right around the corner. This has been going on for decades and you're very close to having a complete solution, and I hope you'll find it reasonable to wait that long. Maybe some deal could be worked out with the city to turn this document back for a rewrite or whatever you know to be possible.

Another thing that occurred to me is a tax which is more oriented around the services consumed and more explicit redistribution of income, something which would

more or less be a user-pay system with exemptions for those who are not able to make a full contribution. Variability presently could occur with MVA, which is where somebody does a whole bunch of renovations to his house and even though the increase is not reflected in city costs, he none the less sees a tax increase. I think in that situation MVA is unfair and that a consumption-based tax would remain completely level through the same event. Two bags of garbage two times a week should cost a certain amount, likewise other services: water, board of health, everything else that's needed. That is a fixed basis with a variable element that might even vary per community and would be, I think, a more reasonable basis for taxing people.

The Acting Chair: Could I ask you to wrap up? We have about a minute and a half left.

Mr Carroll: I think the NDP's in an excellent position to help resolve this situation so that it's even satisfactory to the city and Metro councils. They have a mandate to do so, and I sure hope you folks who are responsible for this vote are going to do the right thing. It's what you're here to do.

The Acting Chair: Thank you for your presentation. If you have written material that you did not present, you can give it to the clerk and he will make copies of it and distribute it to the committee members.

Ms Poole: Could I ask one question?

The Acting Chair: Actually, there is no time left. Sorry. Thank you for your presentation.

While the next presenter is coming forward, do we have any representation here from the Metropolitan Toronto Civic Employees Union, Local 43? No?

ALF MALLIA

The Acting Chair: I'd like to call on Alf Mallia. If you could state your name for the record, you have 10 minutes for your presentation.

Mr Alf Mallia: My name is Alf Mallia. As you know, all you hear from everyone in government these days is, "We can't afford this," and "We can't afford that." Yet I ask you: We spend more than 60% on education. Do we need nine boards of education, with all these bureaucracies that waste money like water? We need money to go towards teaching our children, and teach them at least how to spell potato, not fattening bureaucrats' posteriors. The Metropolitan Separate School Board does its job with one school board. Surely the public school should do the same.

And do we need six layers of government in Metro? It's the overhead that's eating the tax dollars like an elephant eating peanuts. It's not the school teacher, it's not the fireman, it's not the policeman and certainly not the garbageman; it's the politicians who are costing us these billions of dollars. We have so many layers of government and all their committees, committees to the committees, like this one—now you probably have to send it to another committee—trustees, board of trustees, boards of boards, more than you can imagine. Even the Soviet Union was not governed half as much as we are now.

It's time, ladies and gentlemen, to cut government. Proposition 13 in California proved one thing, and I'll guarantee you it's going to happen here too. It could also be implemented, not as Proposition 13, because the law doesn't allow it as such, but if all the people in Ontario stop paying taxes, you have to start listening. Believe me, it's started already. I myself have stopped paying and I urge everyone, especially those people who have been cheated by this system, to stop paying taxes. If money stays in our pockets, you can't spend it. I'm talking about the people who are being cheated, especially the people in the suburbs.

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When Mayor Joyce Trimmer of Scarborough was here she put it very mildly when she said—she was quoted in the paper—that the city people are angry. The word is "furious," I think. She and everyone else know that people in the suburbs have been overpaying their share of taxes for the past 40 years and are now being allowed to get robbed again even further. They tell us: "We're not robbing you the full 100% this time. We'll only rob you 50%, therefore you should be happy."

This is not legalized theft; it's extortion. Even the dictionary explains it as such: "Extortion: obtains money by intimidation and use of power, as in government." That's what this government and every other layer of government is doing.

She also said you won't see too many people here speaking in favour of MVA because of the way people were being intimidated at Metro Hall, which is true. I also question, though, the criteria that were used to bring people in here to speak to you. Can anybody answer that right now?

The Acting Chair: All the deputations were formulated on the basis of advertisements that were put in the local paper. People who wanted to make a deputation phoned the clerk and the clerk then put their names on the list as they arrived so that everybody would have a fair and equal opportunity to be a witness.

Mr Mallia: Were they called as they called in, in that sequence, or selected? I think they were selected, because I have proof of that. You don't have to answer that; I know how it works. Don't worry about it. It's taking my time.

Mr Rizzo: Hold on. Wait for an answer.

Mr Mallia: Yes, but then he'll tell me my time is up.

Ms Poole: We'll make sure you get an extra minute.

The Acting Chair: I was just conferencing with the clerk. I'm not the regular Chair for this committee. The scheduling for this committee was done by the Chair and by the clerk, and it was done on the basis of first come, first served.

Mr Mallia: That's what you told me and I don't believe you. I got different news for you. I called on Thursday morning, and people who called after me, even up to Tuesday, were already here.

The Acting Chair: That is not relevant today because—

Mr Mallia: The reason I am here today is that I kept calling every day. You can check my name and how many times I called. This morning was the seventh time; at 9:45 this morning I called.

The Acting Chair: The basis of the timing could be that when people phoned in they were asked when they could appear, so somebody who may have phoned after you could only appear prior to you and they were scheduled in. That is normally what we try to do on these committees so that everybody can be heard, and you are here being heard.

Mr Mallia: Well, thanks to my persistence.

Anyway, whatever happened to this democracy we supposedly talk about? One would think that with the collapse of the Soviet Union, democracy reigns supreme. Not so in Toronto, especially not in the city, where the minority, political and wealthy élite, dictates to the taxpaying majority. The city of Toronto, through the mayor and its Metro councillor, have been using distorted facts and scare tactics ever since MVA came on the scene. Even ex-Mayor Eggleton tried his best to delay MVA when he was in power.

The latest were three full-page ads. Here they are. The first one was scaring the tenants, saying "17,000 tenants will get rent increases," but it never said anything about 309,000 getting a decrease. The next day, "221,000 home owners...tax increase," but it never said anything about 306,000 getting a decrease. What tops it off and everything else now—this is the biggest lie, and I don't know if I can sue anybody, because this is distortion at its best—is "MVA means a tax increase for more than 124,000 businesses," when in fact the total number of businesses, commercial and industrial included, is only 125,000; 67% of them—actually, nearly 68%, because it's 67,600—are supposed to get a decrease. Only 57% get an increase. Why are these people allowed to lie like this?

Supposedly, they're saying that they're only trying to protect small businesses. These are the small businesses that they are trying to protect. This is the mayor's own advisory committee on property taxation: William A. Farlinger, from Ernst and Young; Michael De Pencier, Key Publishers Co Ltd; John C. Eaton, Eaton's of Canada Ltd; J. Trevor Eyton, Brascan Ltd; Peter C. Godsoe, Scotiabank; Jack Lawrence, Burns Fry; Donald Macdonald, McCarthy Tétrault; John McNeil, Sun Life of Canada; Albert Reichmann—of course, we have to protect him too—Olympia and York; Isadore Sharp, Four Seasons Hotels; Galen Weston, George Weston Ltd. These are the small businesses they're protecting.

Then, all of a sudden, another group appears. They say they are a newly formed concerned citizens group which calls itself Save Our City. Here's the board of directors of these people. These are really nice people too: Art Eggleton, former Metro mayor and appointed federal Liberal candidate; Bev Salmon—I think there's a conflict of interest right here—Metro councillor from the Bridle Path; David Payne, downtown Toronto lawyer; Richard Wookey, Yorkville businessman; John Adams, Toronto city councillor. These are the people who are running the city, not small business.

Yet again we don't have even that. These are from the MVA itself now. Sorry, I have to stand up. That's my house, estimated at $240,000. There's a house in Toronto—I couldn't even find one exactly the same—but this is more, so you can see for yourself; it's $31,000 more. Under MVA I'm supposed to pay $2,291. This house is supposed to pay $2,528. I'm currently paying $3,526. You tell me where the God-damned—pardon my language—fairness is. This guy is only paying $800 a year.

In 1993, with my big reduction, I'll be paying $3,459. With his 5% increase, he'll be paying only $941. In 1994, another big decrease for me, I'll be paying $3,694. He'll be paying $1,125. In 1998, with a minimum of only maybe 10% mill rate addition, I'll be paying $5,408, and this house will only be paying $1,648. Any of you, please answer me where the equity and fairness is in this one? This is not MVA; this is a sham if you call this MVA. I admit that if my house is $240,000—I couldn't get that money now, I'll guarantee you that—it doesn't matter where it is in Metro, we're all in Metro and should be paying the same.

The Acting Chair: Could I ask you to wrap up?

Mr Mallia: Actually, if you cut off half these governments, I'll guarantee you you won't raise anybody's house. Besides, I think there are 40,000 houses still supposedly capped since the First World War for First World War veterans, and these people are paying less than $300.

The Acting Chair: Thank you for your presentation this evening. We have run out of time.

Mr Mallia: There you go. I've got my answer.

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The Acting Chair: I would like to call now on the Taxpayers' Alliance.

Mr Mallia: Can I just ask one question? Isn't this just like barking in the wind, like we had with the Spicer commission, everybody here and listening and it doesn't mean anything? We're here barking against the wall for nothing. Are you supposed to be doing something about this? Is it going to be fair and equitable taxation? That's what I'd like to know.

The Acting Chair: I'm afraid if we were to sample the room, we would not get a consensus this evening.

On a point of clarification, Mr Owens? Make it very quick, please.

Mr Owens: I'm just wondering if the Chair or the clerk knows, out of interest, what a full-page ad in the Toronto Star is worth. Could we find that out?

Mr Mallia: I'm only here for equity and fair taxation. Until that's done, you're going to see a lot of people not paying taxes.

The Acting Chair: Thank you. Could I have the Taxpayers' Alliance, John Lavin, vice-president, or Ray Morand, executive vice-president? Could you come forward now? Are they in the room?

WILLIAM R. BOEHM

The Acting Chair: Then could I have William Boehm? Could you come forward now, please? Would you state your name for the record and then you can make your presentation.

Mr William R. Boehm: My name is William R. Boehm. Thank you very much for this opportunity to

speak. I believe you have a copy of my paper. I'll just run through it reasonably quickly. You've heard quite a few people today.

One of the things I have found very stressful is that when people are looking in the other direction and then they compare the city of Toronto to American cities and other world-class cities, they don't remember the fact that what happens is that their own city may be going bankrupt. I believe that's what's happening now and that's the main reason why politicians and other people have started to look at the tax system, so that more money, more finances, can be given to allow for services to take place. Otherwise, there would be no services. It would just become as dry as a summer creek.

What happened when New York City declared bankruptcy five times? It was bailed out. That's just one example. It was Capitol Hill that bailed cities out. They never had MVA. They had a good number of flaws in their system and they still do. We have a much better system than they do and I have to state that fact. Most people, I'm sure, have not spoken of that. I may be wrong. Please correct me if I am wrong at any time.

The main thing I have found after speaking before the Beaudoin-Edwards committee is that partisan politics really should never be allowed, and I'm sure you'll find that towards the bottom of my first page.

However, what I would like to see is a very good, well-balanced, reformed, improved tax system. I can't give a solution as to how to go about doing it, but I'm sure MVA is the basis. It's a start. The last time we had a uniform assessment rating of all the properties was in 1953. So when you think of it, if this act goes into effect on January 1, 1993, that's 40 years. We've got 40 years to think about it. We don't have to pass anything really quickly. That's where my concern is. If any one party tries to push things down anyone's throat, it may be a short-term benefit, but the long-term benefit is that party is going to lose a lot more.

Our country is just beginning to start to grow. With MVA in its present form, comparing it to the other industrialized countries—all Canadian citizens would like to see that Canada does come forward, as it is doing. It has been rated number one by the United Nations over Japan.

However, with MVA, if it goes into effect and it's used as a precedent, that could become a situation that would be applicable to all other cities. If that happens, who's going to be at fault? The cities are just going to say one thing: "Oh, well, Toronto passed it, and Toronto's the biggest city in our country. We don't have anything to worry about." Most times, they never look into the source of the problem, if there is a problem at all.

This is where I believe communication really counts. Everyone should be cooperating. That's why I say partisan politics should not take place in any way. It doesn't matter to me how or whom the person is aligned with, but what does matter is the communication and the implications from the words. If those implications come across and make the other party feel they're stubborn, they're going to walk away.

Of course, as a corporate fund-raiser and insurance broker, I've been dealing with people since 1979. Before then, I was travelling all around the world and I worked all around the world with Anglo American Corporation of South Africa and such like.

The personality of the Canadian people I have found to be apathetic, passive and sometimes very negative. I'm sure we've all experienced that. What we have to do is we've got to try to turn that whole situation around. No one's really at fault. We've got a domino effect that has taken place. We can't pass the buck.

The provincial government is going to have a very difficult time and I can sympathize with that situation. If there was a way of changing everything, if the provincial government was able to go ahead and just say, "Hold it; I think it's more important to wait. Let's do a complete, thorough study on this"—we haven't seen any studies. We haven't read any studies about this.

A very good example is when I went into the Metro reference library and checked to see if there was any information. The Metro reference library in Toronto is the largest library across Canada and there wasn't one iota of information about this type of survey anywhere. Two librarians went all around the place looking and they said: "We're terribly sorry, Mr Boehm. We can't find any information for you. I'm afraid you'll have to call New York City or Washington, DC, to get information, and I don't know whether they'd even be willing to give you the information. They may want to maintain it as is."

If that is the case, then we obviously have not done any work on the alternative ways in which we could finance some of these things. Metro wanted to go ahead and build an office complex and a housing complex.

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The Acting Chair: Could I ask you to wrap up? You have about one minute left in your time.

Mr Boehm: The housing complex is $45.9 million in a recession time. It's the wrong time to be doing that. I believe that with all the taxes—as they are surtaxed to people, the businesses, the way they're being dealt with—we're going to have nothing but an exodus of people leaving. Over 50,000 people have left over a year, and that's documented. The reason they left, as it's found and documented to be, is the high standard of living plus the instability of the real estate market with the debating back and forth about MVA.

The Acting Chair: I'd like to indicate that your time has run out. We have your presentation, and all the committee members can read it in their deliberations. Thank you for your presentation tonight.

Mr Boehm: Thank you very much. I believe it's very important for everyone to read these things carefully and to keep in mind that 40 years is a lot of time. No one did anything for 40 years. Why should we do it all of a sudden now?

TAXPAYERS' ALLIANCE

The Acting Chair: I'd like to ask the Taxpayers' Alliance to come forward, please. If you could read your

names into the record and then begin your presentation, we have 20 minutes for the presentation.

Mr Tony Natale: My name is Tony Natale and I am a vice-president of Taxpayers' Alliance. With me is John Lavin, a vice-president of the alliance and Ray Morand, also a vice-president of Taxpayers' Alliance. We represent Taxpayers' Alliance, the greater Toronto area. We have over 3,000 members in Metro Toronto and are a chapter of the Ontario Taxpayers' Coalition, which has over 70,000 members in southwestern Ontario.

We are a common voice of taxpayers to change government spending behaviour and to ensure government is publicly accountable and responsible. We are here to challenge Metro's claim that the proposed Metro MVA tax is revenue-neutral. There are no statistics available showing that the new scheme is revenue-neutral and, until proven otherwise, we unequivocally state that this scheme is nothing but a tax grab by Metro, not to mention its other inherent faults. We intend to touch on some of the negative attributes of MVR and its disregard for due process.

Ms Poole: I'm sorry to interrupt, but just as a point of information, several witnesses have used the term "MVR," and I just think a lot of people who are watching the television might not understand that that's market value reassessment. Sorry to interrupt.

Mr Natale: Thank you. Because of the structure of this law, certain very disturbing situations will arise. Based on information received from Ministry of Revenue staff, it would appear that under a Metro interim MVR plan, the majority of taxpayers will lose their old accustomed right to appeal their reassessment for the purpose of adjusting their tax payments.

Starting in January 1993, the only assessment roll will be the roll showing 1988 market values. Only these 1988 assessments can be appealed. A taxpayer may well win his or her appeal and achieve an adjustment to the 1988 assessment, but this may have zero effect on his or her current tax payment since the property tax will not truly be based on this assessment for the next five years except for one-to-two-unit residential, if sold.

For the next five years, appealing one's assessment thus will become an academic exercise for the vast majority of property taxpayers in all classes. The only contribution made by the 1988 assessment is to determine to what extent Metro's arbitrarily chosen percentage increases or decreases will apply. Quite clearly it is the 1992 tax which will govern what tax is to be paid during the next five years, and not the 1988 assessments. Yet according to the Ministry of Revenue, this 1992 tax base is not appealable.

Under the Assessment Act, taxpayers have long had the right to appeal their assessments once a year if they believe that they have been overassessed and overtaxed. The situation created by Metro's interim plan will effectively take this right away and discriminate intolerably against Metro Toronto property taxpayers. On this ground, MVA introduction should be halted until correction is made.

At some point in time our public representatives at all levels must learn that the taxpaying public must be consulted on pivotal matters such as these and not brought in at the last minute to comment futilely on a backroom deal that was cut in less than 24 hours. Rather than passing this odious legislation, we would suggest that the provincial government direct Metropolitan Toronto to conduct a referendum on the proposed taxation scheme.

We have also analysed the short-term economic impact of the MVA since it was introduced in the media in the late fall. We have noticed that real estate values have begun to depreciate by an estimated 10% in the city of Toronto since the beginning of this fall due to the possibility of MVA passing into law. MVA discourages and penalizes the improvement of residential and commercial neighbourhoods because as these communities spend time, money and energies to improve their area, market values appreciate and, under MVA, taxes increase.

MVA destroys jobs for the same reason. We presently have a situation where 40% of the residential and commercial properties for sale on the market are under power of sale or foreclosure. Businesses are going bankrupt in record numbers. MVA will make this situation even worse.

In addition, the fluctuation of devaluation is not uniform across Metro since 1988. Properties in Rosedale have been devalued by up to 70% while comparable properties in other areas have depreciated about 12.5%. It is obvious that unless market re-evaluation is done annually, there will never be fairness in the system, but Metro wishes to have its assessment in for five years, an obvious situation of the conscious introduction of an unfair system. John?

2140

Mr John Lavin: You've heard many before us expound various reasons why market valuation is not a proper basis for realty taxation. While we hope that you have been listening, our fear is that, having regard to the various levels of government, either nobody is listening, nobody wants to make an effort to develop a different basis of taxation or you simply don't care as long as you can shift the political effect of the obvious current anger of all taxpayers. In any event, we would like to remind you that politicians originally put their minds to amendment of realty taxation. As it was obvious to everyone, the then system was patently unfair.

If any of you were watching the meeting, you would have seen the billboard protest of that taxpayer whose one-bedroom condo is assessed to produce the same tax as Metro council Chairman Tonks's single-family house. There was also the ridiculous example of assessment expertise cited by a Scarborough group that pointed out the situation of two Scarborough subdivision houses, one identical to the other except that one had a finished basement and one did not. Wonder of wonders, it is the house with the unfinished basement which will be taxed at the higher rate.

What no politician has yet paid attention to or tried to correct is the fact that market value is not a proper basis for taxation in support of municipal services and education. What was unfair in the past remains as unfair or even more so under the current proposed system. We would like to address a number of points that illustrate our contention of unfairness.

We have included for your perusal a comparison to your market value assessments of actual realty sales by ward in the city of Etobicoke for the year 1988. You will note that the majority of properties show that assessment established for MVA is seriously lower than actual sales in that period, which is going to govern realty taxation for the next five years. Although we don't have comparables available for your review, as many, if not more, examples were presented to Metro management committees of astounding over-evaluations by MVA assessors in comparison to actual sales.

There was also the example of the Scollard area semi-detached property, each semi having been purchased and renovated at approximately the same time for the same ground-floor commercial purpose with upper-floor residential. Although the two semis are almost identical, one is to be taxed at $21,000 under MVA and the other at $36,000.

We also understand that students were brought in from Sudbury to establish the assessments on which MVA is to proceed.

Is it any wonder that all Metro taxpayers are angry for one reason or another? It is very clear to us, if it is not to you, that in addition to market value not being a proper basis for realty taxation, the assessments have been done without expertise, without any relation to reality and have produced a result which has no regard for the principles of fairness.

Gentlemen, the system you want to allow Metro council to implement is even worse than what is currently in existence. Politicians are at the bottom of the trust ladder in most polls, and these hearings are a good example of why voters have good reason not to trust their elected representatives. How can you allow all the people who have appeared before you to make the great effort they have obviously made when the NDP House leader, David Cooke, has already publicly indicated that MVA legislation will be passed by December 10, 1992, regardless of presentations, hearings and the warranted exercise of democracy by public participation? We would beg you to listen to the voters who have appeared before you and vote down MVA until a truly fair system can be developed.

The Acting Chair: I have a clarification from the parliamentary assistant, and then we will get into questions.

Mr Mills: I'd just like to say a few words about the right to appeal property assessments. I believe there was some comment made that it wasn't allowed.

I'd just like to read a note I have and it says, "All taxpayers have the right to appeal the calculation of their tax burden under section 241.20 to the council of the municipality."

Under this provision, taxpayers may appeal their 1992 tax base calculation and the application of the capping provisions. In effect, this provision provides taxpayers with an additional right of appeal beyond the provisions of the Assessment Act. I just want to make that point clear.

The Acting Chair: Thank you, Mr Mills. Ms Poole, one question, please.

Ms Poole: Thank you for your presentation tonight. I think many of the things you said are a reflection of the anger that is out there against politicians and against the system. There's a certain merit to your distrust of politicians. I would like to very clearly state one thing for the record: There have been comments made, in particular by the parliamentary assistant, about how the vote went on this. You alluded to the fact that it's a done deal if it's going to be through by December 10. When we had second reading earlier this week, 60 members of the NDP voted in favour of this plan. None voted against, even though they campaigned in previous elections against market value.

Forty-one opposition members, Liberals and Conservatives, voted. Thirty voted against the plan; 11 voted in favour. Of the 11 who voted in favour, there were people who voted their conscience, because both the Liberals and the Conservatives had a free vote. Secondly, there were people who have been, for many years, in favour of market value assessment.

The Acting Chair: Ms Poole, I see we're running out of time for you at this point. If you have a question, I would appreciate your putting it now.

Ms Poole: My question for you is, if this is indeed a done deal and if the government decides to ram it through by December 10, do you think the impact, particularly on the small businesses and on the home owners who go to full market value at point of sale, will be such that the city of Toronto will become unlivable?

Mr Lavin: I think all of Metro will become unlivable. If the city of Toronto goes down, the taxation burden is going to end up back in the suburbs at some point or other. My alluding to its being a done deal—I am just stating what I've read in the newspaper. The statements have been made. I read it today.

Mr Turnbull: Let me commend you for coming forward. I know the amount of time it takes and there are so many volunteer groups who've come forward to register their protest against this tax. Indeed, I've been fighting market value assessment since long before I was in politics. It's the issue that brought me into politics. Don't get disconcerted by the fact that the government isn't going along with its election promise. Keep on fighting at all cost, because we've got governments in this country which are out of control. They're spending too much money and we have to bring them into control. This is not a good piece of legislation and it's time we go on down to fundamental tax reform.

The Acting Chair: If there's a question there, Mr Turnbull, I wish you would put it now, please.

Mr Turnbull: Given the fact that market value reassessment is so subjective, how could it possibly be an appropriate method of taxation?

2150

Mr Natale: Well, that's the unfair part of market value assessment because, as you know, being in the real estate business, you'll find the market fluctuates from area to area. You could be in Forest Hill appreciating 30%, whatever, within a given time, while in an area in Etobicoke it

may only appreciate 15%. So there is a difference there. These taxpayers are both taxed according to MVA based on value, but they're receiving basically the same services. I think that's the unfairness. Again, right now, the market in a certain area may be depreciating by a lot more, like in Forest Hill perhaps up to 70%, and in other areas it may only depreciate about 12%. So who's carrying the load?

I know you're all being kind to listen, but I think what the public is demanding is not to just sit here and listen, hoping that this is going to go away. The same thing is happening as happened when they brought in the GST. The government felt, "Oh, this is going to be fantastic; it's going to do wonders for this country." Look what happened to it. The same thing will happen to MVA.

The Acting Chair: Could I ask you to wrap up?

Mr Natale: If you allow it to go through, two years from now we're going to be scratching our heads and saying: "Oh, gee. My God, we didn't know this was going to happen to Metro." So who's going to be responsible then? Who's going to be carrying the load?

Mr Owens: Just quickly, I'm glad Mr Turnbull put his personal philosophy on the table that spending money on schools and hospitals is irresponsible and that he wants to get it under control.

Mr Turnbull: Excuse me, Mr Chair, on a point of order—

Mr Owens: My question is to the—

Mr Turnbull: Excuse me; a point of privilege.

The Acting Chair: I really think that—

Mr Turnbull: You have no other course of action but to accept a point of privilege.

The Acting Chair: Mr Turnbull, I would ask—

Mr Turnbull: You have no choice but to—

The Acting Chair: I would ask all honourable members to reflect upon where they are and what we are here to do.

Mr Turnbull: Mr Chair, I would ask Mr Owens to retract the suggestion that I said it was inappropriate to spend on hospitals or schools.

Mr Owens: The money that you suggested—

The Acting Chair: I do not feel we should entertain a debate. If that's the course of the direction, I would then ask—

Mr Turnbull: Excuse me. He is attributing something to me which I did not say.

The Acting Chair: I would think that at this late hour of the evening we should reflect on what we're trying to do here and exercise some decorum. If that's the direction we're going, I would like to thank the deputation for their presentation and I would like to call on the next deputation to come forward. Brian McConville, please.

Mr Turnbull: Excuse me. I would like a retraction from Mr Owens of what he said.

The Acting Chair: I do not believe that's a point of order. I think we should move along.

Mr Turnbull: It is a point of privilege. I did not say that, and Hansard will clearly indicate that. Unless you give a ruling to that effect, I will request a ruling from the Speaker. You have no choice but to ask him to withdraw that, because he is attributing something to me which I did not say.

Mr Owens: Excuse me, Mr Chair. In the interests of moving these proceedings along, I will withdraw the remark. However, I will have the remark clarified in Hansard and will bring this back to the committee in the morning.

Mr Turnbull: Good.

The Acting Chair: Thank you for your presentation this evening.

BRIAN McCONVILLE

The Acting Chair: We can move along now to Mr McConville, who has 10 minutes. While we're waiting for this presenter to come forward, the clerk is handing out briefs from previous deputations we have heard this evening and the presentation for the current deputation.

Could you read your name into the record and begin your presentation, please.

Mr Brian McConville: Mr Chairman and members of the committee, my name is Brian McConville. I don't represent any group except myself. I'm a taxpayer and that's my reason for being here tonight.

The Acting Chair: You have 10 minutes.

Mr McConville: Thank you. I won't take up 10 minutes.

As part of my submission, I would like to read to you a letter that I have sent recently to Premier Bob Rae. I also sent that letter to Floyd Laughren, Mike Harris, Lyn McLeod, to the chairman of the Fair Tax Commission, and I believe I gave copies of the letter to Mr Arnott. I'll start off by reading my letter, which I think is relevant to the issue at hand. The letter is headed "Market Value Assessment and Tax Reform."

"Dear Mr Rae:

"I am writing to you to give you my views on property taxes in Metropolitan Toronto. I am a single wage earner on a modest income trying to support a wife and three children. My annual property tax bill is $5,000 and will increase by about 2% under market value assessment in addition to probably another hefty" mill rate increase this year. "I am very concerned about these huge taxes and do not think it fair that just because I happen to live in" what people call a wealthy area "my taxes should be up to 100% higher than someone in a similar size house in the suburbs with a similar income and family to support."

I'm not so sure people are listening to what I'm saying.

Mr Rizzo: I'm listening.

Ms Poole: I'm listening.

Interjections.

Mr McConville: I can't do that.

Interjections.

Ms Poole: You can't even talk and think at the same time, let alone listen.

The Acting Chair: Let's not get into that. It's late.

Mr Mills: You speak for yourself, madam.

The Acting Chair: Members, please, let's remember who we are. Please continue.

Mr McConville: "Basically I cannot afford this kind of taxation—"

Mr Mills: Mr Chair, on a point of personal privilege: The gentleman in question asked, "Are you listening?" In fact, sir, I was discussing a point in your letter with my executive assistant.

Mr McConville: I didn't single you out.

Mr Mills: No, but I just want to make that point clear.

The Acting Chair: Thank you for making that point clear. Please continue.

Mr McConville: "Basically I cannot afford this kind of taxation and feel that I and many others like me are paying more than our fair share. I do not have a problem with my property taxes financing local services such as policing, fire protection, libraries, garbage collection, parks etc. My main concern is with property taxes being used to finance education and welfare." This consumes up to 70% of the annual property taxes that I pay. "These areas are not local," in my opinion, "they are the responsibility of all citizens in the province.

"As such I feel they should be financed out of provincial tax revenues and in this way, if you consider our progressive income and corporate tax system fair, the wealthier citizens would pay a larger proportion of taxes. Only in this way can you be sure the 'rich' pay their fair share." Believe me, Mr Chairman, "I am not rich and have wondered many times what relationship the 'value' of my house in 1988 has with my ability to pay a disproportionate amount of taxes to finance the education and welfare systems."

The point I'm trying to make here is that over 50% of my taxes go to education and another 20% or so goes to welfare. Those numbers may not be exactly correct, but I think they're in the ballpark. It's my submission that these areas should be areas of provincial financial responsibility and not the responsibility of local government.

As I said, I'm a modest single-income earner, I have a wife and three children and I've spent years saving to buy a house, only to see property taxes take an inordinate amount of my annual after-tax income.

When I complained to North York, my local municipality, about these high taxes, it said it was responsible only for 20%. I accept that, because that's what they're responsible for. The school boards in Metro are responsible for the rest. When I complained to the school board, it said, "Queen's Park has taken all our funding away." When I complain to Metro, it gives me a similar pass-the-buck answer. The buck has to stop somewhere. People just can't keep passing it along.

I feel that if you approve the introduction of market value assessment in Toronto, you're really putting the cart before the horse, because this whole issue is an issue of fairness and it's the responsibility, in my opinion, of the Fair Tax Commission to address inequities like I'm talking about. For instance, I work with people who earn the same as I do, they live in the same size of house, they happen to live 10 miles further west or east and they pay half the taxes I pay. That's not fair. The Fair Tax Commission's report is due shortly, and I would urge you to wait until the Fair Tax Commission presents its report before you make a decision on recommending that market value assessment be approved at this point in time.

In conclusion, I'd just repeat my questions: What relationship does the value of my house have with my ability to finance the education and welfare system? Why do I have to pay a larger portion of taxes to finance these areas of society when someone of similar income in the suburbs pays 50% less? Why are these areas not financed under provincial taxation, which by and large is based on ability to pay?

I'd also say that I would hope you were not swayed by the fact that more voters will get decreases than increases, because this is not a matter of voting; this is a matter of fairness in the tax system.

Mr Chairman and members of the committee, I feel you must take these issues into account when making your recommendation, and I urge you to be fair to all taxpayers. MVA might be fair for local services; I'm not saying it's not. But it's not fair when education and welfare are also part of the tax base.

The Acting Chair: One question, Mr Rizzo. You have about one minute.

Mr Rizzo: Do you believe in democracy, sir?

Mr McConville: Generally, yes.

Mr Rizzo: In a democracy, the majority of people decide how things are going to be done, so the minority has to do it the way the majority wants, yes? I don't think market value assessment is fair. You are right 100%: Welfare shouldn't be absorbed by property taxes, education should not be paid by property taxes. We are the only party that has been fighting for this for as long as it has been in politics. We are going to do that, but we cannot do it overnight. We are working in a system created by other parties.

Mr McConville: So if you recommend MVA, you're perpetuating a system you don't believe in.

[Interruption]

The Acting Chair: I would ask the audience to refrain, please.

Mr Rizzo: As a politician, I vote for my people, the people I represent, and in my area the majority of people will pay less with this system. As a democrat, that's the way I'm going now. But I agree with you this is a matter of principle, and the future principle should be established in the direction you are suggesting.

Mr McConville: That's the point I make: Don't be swayed by the fact that the majority will receive decreases. Use the idea of fair taxation. Wait for the Fair Tax Commission to make its recommendations. Why do you want to make a decision before that?

The Acting Chair: Mr Rizzo, I'm afraid the time is past for your questions. I turn to Ms Poole now.

Ms Poole: Thank you very much for your presentation tonight. I think you've made three main points: one, that this legislation should be deferred until after the Fair Tax Commission reports; second, that a house in Toronto or North York that is the same size as one in the suburbs pays proportionately significantly more taxes; and third, the fact that it is not based on an ability to pay.

I thank you for coming tonight, because I think it's important to emphasize time and time again that this market value plan will benefit urban sprawl and penalize areas where the houses are smaller and where the situation is in a much denser area, so I appreciate your coming.

Mr Turnbull: Thank you very much for the good presentation. You're quite right. We must get to a system which recognizes ability to pay and consumption of services. That is what I've always fought for and I'll continue to fight for.

You make so much sense when you say that we should wait until the Fair Tax Commission reports. That report is pending. By the end of next week it might be out, but by that time, we have already been told, this bill will be through the House and it will become law. Absolutely nuts. One of the leading authorities on urban life has commented in the Globe and Mail that it is nuts, yet we have a government that is still determined to put through legislation that will perpetuate these problems for another five years—

The Acting Chair: Thank you, Mr Turnbull. We have run out of time.

I would like to thank you for your presentation tonight.

Before we adjourn, I would like to remind the committee that this committee will meet tomorrow morning at 9:30. This committee now stands adjourned until tomorrow morning at 9:30.

The committee adjourned at 2205.

STANDING COMMITTEE ON SOCIAL DEVELOPMENT

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*__Acting Chairs / Présidents suppléants:__ Miclash, Frank (Kenora L); Wiseman, Jim (Durham West/-Ouest ND)
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*Owens, Stephen (Scarborough Centre ND)
White, Drummond (Durham Centre ND)
Wilson, Gary (Kingston and The Islands/Kingston et Les Îles ND)
Wilson, Jim (Simcoe West/-Ouest PC)
Witmer, Elizabeth (Waterloo North/-Nord PC)

*In attendance / présents

Substitutions present / Membres remplaçants présents:
Frankford, Robert (Scarborough East/-Est ND) for Mr Gary Wilson
Grandmaître, Bernard (Ottawa East/-Est L) for Mrs Fawcett
Mammoliti, George (Yorkview ND) for Mr Drainville
Miclash, Frank (Kenora L) for Mr Beer
Mills, Gordon (Durham East/-Est ND) for Mr Martin
Poole, Dianne (Eglinton L) for Mrs O'Neill
Rizzo, Tony (Oakwood ND) for Mrs Mathyssen, Mr White and Mr Martin
Stockwell, Chris (Etobicoke West/-Ouest PC) for Mr Jim Wilson
Swarbrick, Anne (Scarborough West/-Ouest ND) for Mr White
Turnbull, David (York Mills PC) for Mrs Witmer
Wiseman, Jim (Durham West/-Ouest ND) for Mrs Mathyssen

Clerk / Greffier: Arnott, Douglas

Staff / Personnel:
Drummond, Alison, research officer, Legislative Research Service
Richmond, Jerry, research officer, Legislative Research Service

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Friday 4 December 1992

Standing committee on social development

Metropolitan Toronto Reassessment Statute Law Amendment Act, 1992

Assemblée législative de l'Ontario

Deuxième session, 35e législature

Journal des débats (Hansard)

Vendredi 4 décembre 1992

Comité permanent des affaires sociales

Loi de 1992 modifiant des lois en ce qui concerne les nouvelles évaluations de la communauté urbaine de Toronto

Chair: Charles Beer
Clerk: Douglas Arnott

Président : Charles Beer
Greffier : Douglas Arnott

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LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON SOCIAL DEVELOPMENT

Friday 4 December 1992

The committee met at 0942 in room 151.

METROPOLITAN TORONTO REASSESSMENT
STATUTE LAW AMENDMENT ACT, 1992

LOI DE 1992 MODIFIANT DES LOIS
EN CE QUI CONCERNE
LES NOUVELLES ÉVALUATIONS
DE LA COMMUNAUTÉ URBAINE DE TORONTO

Consideration of Bill 94, An Act to amend certain Acts to implement the interim reassessment plan of Metropolitan Toronto on a property class by property class basis and to permit all municipalities to provide for the pass through to tenants of tax decreases resulting from reassessment and to make incidental amendments related to financing in The Municipality of Metropolitan Toronto / Loi modifiant certaines lois afin de mettre en oeuvre le programme provisoire de nouvelles évaluations de la communauté urbaine de Toronto à partir de chaque catégorie de biens, de permettre à toutes les municipalités de prévoir que les locataires profitent des réductions d'impôt occasionnées par les nouvelles évaluations et d'apporter des modifications corrélatives reliées au financement dans la municipalité de la communauté urbaine de Toronto.

The Chair (Mr Charles Beer): I'd like to call this session of the standing committee on social development to order. We're meeting again to review Bill 94, the Metropolitan Toronto Reassessment Statute Law Amendment Act, 1992.

NORTH HILL DISTRICT HOME OWNERS' ASSOCIATION

The Chair: Our first witnesses today are from the North Hill District Home Owners' Association. I'd like to ask them to come forward to the table, and if you would be kind enough to introduce yourselves. If you feel like a glass of cold water, feel free. We welcome you here. As I think I mentioned at the outset, the House has been sitting till midnight this week, so if we look a little bleary-eyed, it doesn't affect our attention or interest in terms of what you're about to say. Please go ahead with your presentation.

Mr Tim Kennish: Thank you, Mr Chairman. My name is Tim Kennish. I'm the president of the North Hill District Home Owners' Association. My colleague John Greey, also a member and a member of the board of directors, and the past president of the association are here today. We appreciate this opportunity to make known to you our views on the question of implementing the market value assessment proposal that has been approved by the municipality of Metropolitan Toronto.

Briefly stated, our association, which has been watching this situation for some time, is very much opposed to its implementation, for reasons I wish to explain. We are asking or urging your committee to recommend against its implementation and not to vote in favour of this legislation supporting it.

Briefly, a bit about our association: We're a residents' association with over 400 members. The area we represent is primarily a residential area in the part of the city that's sometimes called lower Forest Hill. The area is bounded on the south by St Clair, on the west by Spadina, on the north by Chaplin Crescent and a little bit of Eglinton Avenue and then Avenue Road on the east side.

If market value assessment is implemented on the basis that's been proposed, the home owners in our area will experience some of the highest tax increases of any residential properties in the city. We have attached to our written submission some—I won't say representative—examples of tax increases that would be effective if the MVA is put into effect.

Just to focus on the first page, for 18 Dunloe Road, which happens to be the same street I live on, the tax increase is $10,000 from the present almost $8,000, which is a 132% increase. Mr Greey lives on Dunvegan Road. I notice here that one unhappy home owner at 56 Dunvegan Road currently pays just under $10,000 in tax. The proposed tax would be just under $25,000 and the increase of over $15,000 represents a 173% increase. And there are other cases. I'm not saying these are completely representative. These tend to be the more egregious cases, but on average residents of our area are looking at upwards of 65% increases.

Market value assessment is justified or supported on the basis of a need to move to a fairer basis of taxation—I would like to comment further on that later—but even if it could be justified on that basis, the timing of its implementation at this time, in our view, is particularly inappropriate, given the severity of the current recession.

We continue to read daily about business and individual bankruptcies and financial problems of significant proportion, that real estate values are eroded beyond any expectation. While I recognize the business case—the situation of business owners is much more severe than the residential owners—nevertheless it is going to be a real problem for residential owners in the city to cope with absolute tax increases of, on my property, $6,000. It's not a time when people have the money to pay these kinds of property tax increases, even if the system is deferred for five years.

I don't think there is anything inherently fair about market value assessment. If the underlying rationale is that municipal taxpayers ought to be assessed on the basis of their ability to pay—and I question whether that's an appropriate approach—and that market value is a proxy for ability to pay, then I think that's a flawed logic, because many of the people—particularly in our area; we have long-term residents—live on fixed incomes and really do not have any capacity to handle additional expense. Other people, a lot of people you would know too, have declining incomes, so where are they going to come up with the money? There will be forced sales, there will be hardship.

If the values that are being used represented realistic, real-worth values, there still would not be an ability to access that value for the purpose of funding the tax payments. People's investment value in their real estate is not really accessible. You can't take a mortgage out to pay your taxes; it's a self-defeating proposition. In talking to people about the values in our area that are used as the basis for the 1988 assessment, they appear to be anywhere from a third to a half higher than current experienced sales.

0950

Market value is an uncertain standard to apply, involving difficult judgements. The fact that 1988 has been chosen—which happened to be the zenith in land values in our area and the city generally, in the residential boom—just epitomizes the problems associated with using that as a basis for taxation. It's a certainty that if market value assessment is proceeded with, given the large absolute tax increases, I fully expect the courts are going to be clogged with a lot of litigation on the part of people such as myself contesting their municipal tax assessments.

It seems to me that there's no necessary correlation between market values, even if they were relevant and realistic, and taxation for municipal purposes. Market value assessment is not a technique for matching up funding with the cost of providing municipal services. Comparing the city of Toronto, which is a much more densely populated or developed area, with the outlying suburban areas, there are much higher costs of providing similar services to properties in outlying areas which are assessed on a lower basis.

In addition, much of the city's municipal infrastructure has been been amortized by virtue of the fact that it's been in place for a long time, whereas the outlying areas have more recently established service structures and are still paying for those. In terms of costs, I think there isn't support for a market value assessment approach.

The next comment I'd like to refer to is the fact that the city is currently funding, on a population basis, a disproportionate portion of the Metro Toronto budget and is making a net contribution to education in Metro of $300 million, which it pays to other school boards outside its boundaries.

We recognize that the present scheme of municipal tax is not without its imperfections; nevertheless, I think that between market value assessment and what we have today, what we have today more closely approximates funding against the costs of providing the services that people use.

An additional point is the fact that market value assessment will reduce land values by a factor which reflects the increased tax cost. That isn't adjusted for in the system, as I see it. The values that are being used for tax purposes don't take account of the fact that, while there's been erosion from 1988, there's going to be further erosion because these properties are subject to this higher level of tax. If you're looking at buying a property and you can see, say, 10 years of increased taxes, you're going to pay the present value of that tax difference over a 10-year period.

One other point I'd like to make is that it has been suggested that the market value assessment be deferred for implementation until not before 1998, subject to some increases capped at 10% going through earlier, but if properties were sold or ownership changed in the meantime, perhaps not limited to sales situations, the whole of the increased market value would become assessable for tax purposes. That immediately creates a further diminution in value for those particular property owners.

I note that in Bill 94, clause 241.14(4)(f) specifically seems to contemplate that you could accelerate the capturing of that higher level of assessment before the rest of the program goes into effect.

Finally, the comment I would like to make is that one recognizes that in Metro council, the political geography was such that it was a foregone conclusion that market value assessment would be given the go-ahead there. The representatives of those areas which, under market value assessment, will be getting tax reductions outnumbered those representatives who would be paying increased tax bills. The outcome was, as I say, foregone. That doesn't make it right. You're not similarly constrained by those political realities. I think you have the opportunity, and then the obligation, to do the right thing.

We would like to conclude by urging you once again to recommend against implementation of market value assessment. Before closing, I would ask Mr Greey if he wishes to add anything to what I've said.

Mr John Greey: I have very little I would like to add except this: One of the arguments put forward is that as house values have been raised by inflation, the amount of money being collected by the municipalities, so-called, would remain the same; the mill rate would be adjusted. What is being really unfair—I think we've probably noticed it more in Forest Hill—that, while our house values have been increasing by way of just pure inflation—the 1980s inflationary period—we've had another secondary effect that has ballooned Forest Hill in particular.

They have had some unusual demands on the value of their houses, I guess being a very desirable district. This ballooned up on a temporary basis. Many of these house values today are considerably less than the peak of what they were. Picking a particular year to use for market value makes no adjustment for any smoothing effect for these changing house values. I think this part having been overlooked has made this, probably, very unfair.

You don't mind having a change in value perhaps, but when you stick with one particular period which happens to be a peak, rather than over a longer period of time—that was the only comment I wanted to make. I think that's the main flaw in this whole market value assessment process.

The Chair: Thank you very much for your presentation. We have time for three questions, one each of Ms Poole, Mr Owens and Mr Turnbull.

Ms Dianne Poole (Eglinton): Thank you very much for your presentation today. You've come to us representing a somewhat different area than most of the people we've heard from so far from the city of Toronto, in that the majority of residents in the city of Toronto have extremely tiny frontages and very small lots. You represent an area where actually the houses are bigger and the lots are bigger.

You've pointed out two very important things. You've pointed out some—what appear to be—glaring errors in the assessment methodology. For instance, I see at 16 Dunloe Road, their proposed tax is $38,000 and at 18 Dunloe Road,

right beside that, it's $18,000 as a proposed tax. There seems to me to be something very strange with figures like that. That's the first point. The second is: I'm looking at the amount of these proposed taxes. They vary: $24,000, $38,000, $33,000, $19,000, $26,000. They're quite substantive taxes.

My submission would be that a house, say in Scarborough, Etobicoke or one of the suburbs, that was the same lot size and size of unit as yours, would be paying substantially lower taxes under this proposed scheme. Do you have any comparisons that you have done in your association with the suburban homes to see how a comparable house in size and area would have been assessed?

Mr Kennish: I'm afraid we don't, other than a general understanding. A typical property in our area, John, would be, say, 120 feet by 60 feet. That's quite common on our street. There are certainly bigger property sizes. A typical current tax figure is about $5,000 on that size of property.

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Mr Greey: Closer to 50 by 150 is our average lot size, roughly.

Mr Kennish: And typically going up by almost 100%. I know my property is going up 90%. I don't know specifically what the comparable information is for similar-sized properties in Scarborough.

Ms Poole: It would actually be quite interesting to do that type of comparison, because, like I say, most of the examples brought to us are typical of the rest of the city of Toronto and parts of North York, where the lot size is quite small and the house size is very small, so we're just judging on those types of examples. But I suspect if we carried that forward to the somewhat larger houses, like yours, that we would find again that under this plan in the suburban areas they would be paying substantially less tax than your new proposed—

Mr Kennish: That's my understanding.

The Chair: Mr Owens.

Mr Stephen Owens (Scarborough Centre): Mr Chair, I'll yield my time to Anne Swarbrick.

Ms Anne Swarbrick (Scarborough West): Thank you, Mr Owens. I know we all tend in issues really of any nature to end up looking from our own perspective at them.

With regard to the paragraph you have on page 2, referring to your understanding that currently the city with 29% of Metro Toronto's population is funding 42% of its budget, just sticking to that for a moment, I'm wondering if you've thought of the perspective of the amount of provincial tax dollars and municipal tax dollars and federal tax dollars that goes into supporting the proportion of cultural facilities that exist in the city of Toronto that don't exist in the rest of the suburbs. I'm thinking, for example, of O'Keefe, Roy Thomson Hall, the CNE, the Royal Ontario Museum, the Art Gallery of Ontario, Ontario Place, whether you've ever thought of things from that perspective; and secondly, from the perspective of the amount of those tax dollars that comes from the commercial and industrial sector and what proportion of it in fact exists in the city of Toronto compared to other areas. So, for instance, the number of workers from the suburbs who come in to work within the city of Toronto and help to create that tax wealth of the 42% of the base, have you ever thought of the balance from those perspectives?

Mr Kennish: Yes. I think that's very relevant. I think that a number—just to go to your first point—of the institutions you referred to, like the Royal Ontario Museum and various other facilities, are really institutions of our whole sort of municipality in the area, and people in Oakville and surrounding areas, as well as people right in the city, make extensive use of those amenities. So I think that while they are located within the city and are more directly accessible by us, I think they're used generally by the population at large and I don't know that members of the city necessarily disproportionately use it.

In terms of assessment, I honestly don't know whether industrial assessment—certainly there's a lot of commercial, but I don't know how it would line up with counterpart industrial and commercial assessment in outlying areas. Certainly there are lots of both in each of the areas.

Ms Swarbrick: Are there not a lot of suburban workers who come down to give of their labour within the city of Toronto?

Mr Kennish: Yes, sure. I have many colleagues who live outside the city, live outside Metro as well, and work downtown.

Ms Swarbrick: I just think sometimes we need to help try and put ourselves in the eyes of each other and see the other perspectives too.

Mr Greey: We're also seeing, though, because of the costs, that a lot of downtown businesses are now moving to the suburbs where the costs are less.

Ms Swarbrick: Sorry?

Mr Greey: We're seeing some of the downtown businesses beginning to move to the suburbs where their costs are less.

Ms Swarbrick: So over time that balance of figures may change, but at this point, I just want to point out that I think the figures being your way are partly because of how the traffic flows right now.

Mr David Turnbull (York Mills): I think one of the things that troubles me about market value is the fact that what appears to be happening is that the municipality is taxing unrealized capital gains.

I represent York Mills, which has within it the Bridle Path, much reviled by the NDP, and the assessments are very similar to yours. It automatically assumes that all the homes are exceedingly valuable, and in fact there are surrounding areas with quite modest homes.

I notice here that the current tax on 46 Forest Hill Road is $3,941. I would suspect that under any scheme, they would be paying substantially more taxes. I think we all acknowledge that your area and the area I represent will end up paying more taxes and I think we readily accept that.

The problem is where you have unusual inflationary trends which drive values up disproportionately in our areas to others', only to come crashing down and then being taxed on that bubble year. Could you tell me, would it be correct to say that in your area the values of some houses may have dropped by as much as 50%?

Mr Kennish: Certainly I've heard from members of our association who have said that. What we did was we went and collected information with regard to all of the properties in our area, and there are about 1,000 homes. We distributed this information to all home owners so that they saw their assessed value on the 1988 basis, the proposed tax, present tax and so on.

I've had a number of people come back and say, "I see my house is assessed at $1.2 million and the house next door is comparable in size and amenities and it was on the market for a year and it eventually sold for $600,000." These are significant-sized houses, but the difference between what the 1988 assessment values are and what realistically can be commanded in the real estate market is, as I've suggested, a third to a half. That is what I'm hearing from people, and we're not trying to exaggerate the degree of deviance.

Mr Turnbull: What I've observed is that it was an incredibly sloppy assessment when you compare actual sales in 1988 with assessment. We had several examples last night where buildings had been assessed at three times what they sold for in 1988.

I would just ask you the last question.

Mr Kennish: A lot of people don't have this information and were quite surprised to see their assessed values.

Mr Turnbull: I think you should do a complete study of your area and you should compare it with actual sales. I would urge you—it appears that the government is determined to push this through—do not make the mistake of not appealing the assessment, because unfortunately this scheme only allows you to appeal the 1988 assessment, which in virtually all cases will make no difference to the taxes you will pay because you're capped at the 10% increase. But unless we bring out what a sloppy assessment this was, we're never going to be able to have any justice done.

Mr Greey: I don't know whether these stopgap measures of capping and so forth are really the ultimate answer. I still think you have to look very strongly at a smoothing process. Maybe you take market values over a longer period of time, maybe a value every four years—and I believe they have some valuations going back for periods prior to 1988. Maybe you take five or six of those four-year valuations and average them, and then every four years you add one and drop one. Something's got to be done to iron out these little ballooning periods, as you've run into exactly the same thing in your area that we're running into in ours.

The Chair: I'm sorry, we've run out of time. Just before you go, there's one really quite extraordinary increase. They're all high, but 46 Forest Hill Road has a 396.4% increase. Would you have the detail on any of these in terms of size and what they are?

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Mr Kennish: You mean lot dimensions and so on?

The Chair: Yes, bedrooms and whatever.

Mr Kennish: And assessed values? We do. I could provide that.

The Chair: If you have any of that, it would be interesting. I think when we see some of these things it sort of makes it a little more real. But that one stands out even from among the others.

Mr Kennish: Sure. We can get that information. Should I send it to Mr Arnott?

The Chair: Yes, that would be fine.

Mr Turnbull: Mr Chairman, may I just suggest that as much as possible, you should provide details of all of these, not just that one, so that you have an idea of the lot frontage, the number of bedrooms perhaps and the size of the home.

The Chair: That would be helpful. Thank you very much once again for coming this morning before the committee.

Is Mr Joseph Virgilo here? I don't see Mr Virgilo.

ABC RESIDENTS' ASSOCIATION

The Chair: Could I then call the ABC Residents' Association, if you would be good enough to come forward to the table. Welcome to the committee this morning. Please introduce yourselves and go ahead with your presentation.

Mrs E. J. Montgomery: Thank you very much. We too appreciate the opportunity to address this committee. I'm E. J. Montgomery, president of the ABC Residents' Association. This is Charles Crawford, also a member of our board.

Our area covers from the tracks to the north down to Bloor Street, between Avenue Road and Yonge. We're typical of many of the smaller areas and we encompass a broad range of housing. We have social and affordable housing, homes for seniors, and many rental places are available. We have town houses, semidetached houses, condos and single-family houses that range from very small and modest to larger family homes, and also very many historical houses and buildings that go back to the early 1800s.

We also have a lot of public buildings that are historical in nature, such as the churches, schools and libraries, and then we have all the other things that neighbourhoods have—firehalls, ambulances, office buildings large and small—and we have chain food stores, large department stores and many small, independent businesses.

The combination of these employ many hundreds, indeed maybe thousands of people from across Metro and also a lot of people who live and work in the ABC area. These are all within walking distance in our neighbourhood, and that's a very efficient way of living.

Our reaction to this proposed assessment plan is anger. We're very angry at this sort of careless and cavalier attempt that has been made to push this thing through. We're dumfounded by the inaccurate assessments based on the inflated prices of 1988, and we feel they are completely lacking in credibility.

We do support, and have supported for many years, the need for fair and meaningful tax reform in Metropolitan Toronto, but not on this basis. We can't support this in its original form, its adjusted form and its tinkered form.

In the 1970s the city of Toronto could see what was happening to many large cities around the lakes, like Buffalo and Detroit and cities of that sort. They were decaying with urban rot. The city had a vision that it could achieve a livable downtown, a diverse economy, stable neighbourhoods, active retail streets, safe city streets, good schools and convenient and well-used transit.

With that in mind, bylaws were passed to stimulate intensification as a desirable economic goal, and bylaws were passed to protect and preserve the urban residential way of life, bringing safety and vitality back to the inner-city. People believed this. They believed in this new and innovative policy of bringing people back into the city, and they came.

They came to areas like Cabbagetown, Yorkdale, Yorkville, Riverdale, the Danforth and the Beaches. These areas, in many instances, had become somewhat rundown. These people came back and they made them into attractive, well-maintained, stable and safe neighbourhoods, adding a great deal to the livability of our city.

Much of this was made possible by average people in average jobs earning average incomes. They not only invested their money but they invested a hugh amount of their own time and what's called "sweat equity" to upgrade these properties and make them attractive and nice, and therefore the city of Toronto avoided collapse from within.

We ask you not to underestimate the value of the contribution made by the inner-city residential areas to the safety of city streets and to the prevention of crime. We ask you not to underestimate the value of a vital urban core to the economic and social health of the city of Toronto and the surrounding areas, indeed possibly to the province of Ontario.

This plan opposes and is counterproductive to the urban intensification policies of the city of Toronto and indeed Metro's own intensification plan. Whole districts, not just our district, will lose the goals achieved by more than 20 years of effective and successful planning. Our concern is that if this is passed in any form, the next five years will cause irreversible damage in our areas. We would rather not hear the death knell sounded.

The provincial government, if you proceed with this approval—well, it's just a bad idea, and we strongly urge you to take the time, indeed to make the time, to look at alternate proposals. Don't rubber-stamp this MVA proposal simply to promote the principle of autonomy for local governments. This issue and the results of this issue are too important to Toronto, to Metro Toronto, to the greater Toronto area and indeed to the province. Don't pass the buck and abdicate the responsibility with which you've been entrusted. We urgently request that you defer any decision in this vital matter until all the current and long-term impact studies have been completed and given thoughtful deliberation. We feel that then and only then should any change be made in the existing legislation. Chuck?

Mr Charles Crawford: I thought in my part of the submission I would focus on what we believe to be the long-term effects of market value assessment. We believe that it's a regressive method of taxing—market value, that is. It's felt most strongly by middle- and lower-income residents and businesses and it will cause that part of the population of our neighbourhood to move out.

I've looked at a few handbooks on assessment and some studies of the effects of assessment. Most of them, I will admit, are from the States. Incidentally, on the basis of the errors of assessment, there's one study in Boston that shows that they are typically 20% to 40% off. That is, when you go back and look at a mass assessment, by professional, honest, well-trained assessors, when people go back and look at individual ones, it's typical that they're 20% to 40% in error. That's assuming that you take market value as a reasonable assessment.

We don't take it necessarily as a reasonable way of doing it, because its expected and intended effect is in fact to lessen the so-called economic evil of unused and underdeveloped land and it encourages the development of properties to their highest and best economic use. In other words, a property owner who cannot afford the tax should develop his property, increase his income, pay the tax or move. That's the intended effect of this policy and that's what it's designed to do, and we believe that's what it will do in our neighbourhood.

I think this attitude is based to a certain extent on misinformation about who we are living in Toronto. We're somehow seen as white-painters who have taken advantage of low taxes and so-called low prices to move into neighbourhoods and take advantage of huge increases in value. But in a sense, by definition, the speculators have left. They've cashed in and moved out. We are not the speculators.

Many people who have come in and greatly improved their properties have already seen their assessments go up under the old system. There was reassessing going on. Some of it was appealed, but many people did not appeal their assessments. Many of our neighbours, in fact, are not having very large tax increases. But people who have been there for 20 or 30 years and have merely maintained their homes are getting very large increases, and typically they have the lower incomes.

I'm basing this on observations on my own street. I live on MacPherson Avenue, but I believe, from talking to friends in the Annex and in Parkdale, that similar things—and I suppose you've gotten testimony about similar things—are happening in other areas of the city. By North American standards, Toronto is a safe city, and we believe that part of its success is because of the diverse population—namely, us—that lives in the downtown area.

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Our association has worked hard. We worked very hard on the official plan in the 1970s, the old plan we're under. We worked very hard on Cityplan and we're trying to make contributions to the Metro official plan. We've been lobbying for zoning policies which encourage housing suitable for families with children, assisted housing, and for levels of commercial development; that is, small commercial development that functions with our neighbourhood. We believe that Metro's proposed tax reform just flies in the face of all those policies and all its own policies.

We realize that the suburban residents pay high taxes, but we believe that those taxes are high because of market value assessment. They're already living under market value assessment and they're already seeing the effects.

Your own Fair Tax Commission recognizes that the problem of high taxes is the number and variety of services that are funded out of property taxes and that property taxes should in fact be based on a fair and consistent method of valuation, such as lot size, floor area, the use of the property or, most important of all, the cost of the services. We've always supported that kind of tax reform.

Just to close our submission, we reiterate that ABC is opposed to the Metro Toronto reassessment statute law

amendment. We've worked hard to maintain our neighbourhoods and we believe that the proposal threatens those neighbourhoods. We've presented facts here and we and others have presented facts to Metro council. We believe that a majority of Metro council has not looked at these things seriously.

We urge you to delay any decision on this bill until the long-term effects can be carefully studied. We believe we won't get another chance for fair tax reform and we have to do it right this time.

The Chair: Thank you very much for your submission. We'll begin questions.

Ms Poole: Thank you very much for your presentation today. I think you've made a very compelling case for trying to keep our city of Toronto livable.

In the closing part of the first section of your presentation, you urge the provincial government to think carefully before proceeding and not to rubber-stamp this MVA proposal. I was one of the opposition members who pushed very hard to have these hearings. I did that because I truly believed that if the government heard the message from the people of Toronto, it would to have to react.

Today, some five days later and many, many late hours later, I wish I could give you more hope. But it was very clear from what one of the NDP members on the committee last night said that these hearings are all a waste of time. He said that they just held them because the opposition asked for them, no other reason, and that it would set a dangerous precedent to tinker with Metro's plan.

I find myself far more discouraged today than when I started a week ago and I can't give you a lot of hope. Your member, Zanana Akande, refused to show up for the vote, as did Rosario Marchese, as did Gary Malkowski from York East. They were the three backbenchers who had indicated that they were against market value. Four city of Toronto cabinet ministers in the NDP government—Frances Lankin, Elaine Ziemba, Marilyn Churley and Tony Silipo—

The Chair: Do you have a question there, Ms Poole?

Ms Poole: Very shortly—all voted in favour of Metro's plan and voted with the government. All 60 members of the NDP who voted, voted in favour on second reading.

Quite frankly, normally I say to people, "Come to our hearings and make your views known."

Mr Gordon Mills (Durham East): Is there a question there somewhere?

The Chair: Order, please. Ms Poole, please continue and put your question.

Ms Poole: As valid and as important as your presentation was in opening up the eyes of this committee, I'm afraid too many eyes on the other side are shut. I hope you did not waste your time here today and I thank you for coming.

Mr Turnbull: It has been suggested by some of the people who wish MVA—and I'm certainly not one of them—that the reason the inner cores of the cities of Toronto and North York are so badly hit in this assessment is because of their proximity to the subway station. It would seem to me, based upon a lot of the assessments I have seen, that if we were to get a taxi to wherever we went every day, we'd still be paying less than the kind of penalty we're paying because we live relatively central to the subway system.

My question to you is, do you feel that the extra amenities which are represented by the subway and perhaps a somewhat better transportation system in any way offset the kinds of increases in taxation that you're going to shoulder relative to some of the suburbs that are often using them?

Mrs Montgomery: Certainly, there is a convenience in being next to the subway and any main transit line, and our area has much of that, but we also have the traffic and the noise and the ambulance stations and the police stations and all the other things that go along a subway line. I would think in that my particular instance, I would certainly never spend the amount of dollars in transportation other than on the subway in the area.

Mr Crawford: I would say that the subway station that we are at—which is unfortunately called Rosedale, which I guess politically isn't very good for us—certainly is a convenience for us. But as someone in the neighbourhood who doesn't use it as much—I walk to the Metro Y when I go there. I don't take the subway. When I walk I notice that there are a great number of people walking. My daughter-in-law, when she's in town with her family, north of Eglinton, walks to Queen Street when she works, and there are a great number of people walking on Yonge Street.

In fact, many of the residents do not use the subway that much. Since the cutbacks, we're discouraged from using it because once rush hour is over, the trains are very infrequent, and during rush hour we are not the ones who are on those trains. Those trains are not for our convenience. We don't see the rush hour trains as being for our convenience, and I would say the same of the amenities downtown. We like them. That's one of the reasons we're living down there. But if I lived in Oakville, I would still go down and use them.

Mr Turnbull: An overwhelming number of the presentations we've had are people speaking against MVA. I've never sat in any hearings which have been so unbalanced in terms of so many of the presentations being on one side of the picture. But almost everybody who has come forward has been saying they don't want MVA but they do want property tax reform, because they acknowledge that the present system is inequitable. Could you comment on that?

Mr Crawford: Yes, we do think it's inequitable. We have not done the studies. I didn't want to participate in a battle, saying that someone in Scarborough should be paying more than I pay. It's a silly battle to get into, so we have not done those studies. But then again, we don't have a lot of resources to do studies. When I look at the way it is done, presently it's not very logical, so I wouldn't doubt that it's inequitable and it certainly should be changed.

Again, in looking at the literature, it's clear that many of the people who claim to be using market value assessment in fact aren't using it. They classify properties into five, six, seven classes, and each class pays a different percentage of a so-called valuation. Yet in this same study in Boston there were properties built in the teens that they have not reassessed since 1946, and they do that as a matter of policy.

Mr Turnbull: Another concern I have with this scheme is that it does nothing to address the historic imbalance between

the amount that tenants pay in apartment buildings, and residences. Tenants are paying on the basis of 8% of their assessed value, and residences at 2.2%. The government had an opportunity to redress this and it's absolutely ignoring that, despite the request of Metro to do something about it.

Mr Crawford: I would agree.

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Ms Swarbrick: There are a few things in what's just been said that I could respond to, but I think the main thing I'd like to say is that you have presented to us a very thoughtful presentation. There certainly are a few things people from the suburbs would point out differently. If Joyce Trimmer were here she would, for instance, argue that your arguments mean that people in Scarborough will continue to pay more taxes than—etc.

I think the main point I'd like to make, because I do agree with a lot of these points you're making, is that in response to what my colleague the member for Eglinton has pointed out, representatives like Tony Silipo, Marilyn Churley, Frances Lankin, Zanana Akande, Rosario Marchese and the others that she has listed have clearly stood up in our caucus and in cabinet I believe too—I know that—and argued very strenuously the points you've put before us, and more.

Mr Turnbull: They voted for it.

Ms Swarbrick: Excuse me, I have the floor. They have argued very strenuously the points you've put forward and more. Unfortunately for them, in terms of this particular aspect of this legislation, they lost within the democracy that exists within a caucus on this issue. They've so far lost the battle here, but I'd suggest to you that they will have won the war.

I really believe that over this next assessment period, the extensive work that needs to be done to totally revamp the kind of property tax system that's existed in this province for decades and which requires some serious work by this province to look at—there is the whole issue of education refinancing, the social and economic impact, the property tax system, the whole issue of what's happening right now in terms of the disentanglement of provincial and municipal services and the financing of it. All of those areas and more have to be looked at together, and take some time. I just want to point out to you that I think those members in the long term will prove to have won the war on your behalf.

Mrs Montgomery: It's very interesting that they have argued on our behalf, but I also find it very interesting that they didn't vote on our behalf. They are to be our representatives and we feel they have not done that.

Ms Swarbrick: Yes. I think it is important to recognize, not only within our party, but just the way the system works in every government of this country and within every party in this country, that there is a certain aspect of the democracy that has to exist within the caucus as well for a government to be a government. I know we could sit and have an argument about it, but I just want you to know that I think there are healthy reasons for that process to exist and in time your representatives will have won the case for you.

Mrs Montgomery: I just hope the next five years and the changes made in the next five years don't destroy downtown Toronto, because that would be a terrible shame, not only for us who live in the neighbourhood, but for the entire area and indeed the province, because it's a well-thought-of city worldwide.

The Chair: I'm afraid our time has run out, but I thank you very much for coming before the committee this morning.

MULTIPLE DWELLING STANDARDS ASSOCIATION

The Chair: Is Mr Joseph Tseng here? If not, I call the Multiple Dwelling Standards Association. If the representative from the Multiple Dwelling Standards Association is here, please come forward. If you would be good enough to introduce yourself for Hansard, please go ahead when you're ready.

Mr Ib Amonsen: My name is Ib Amonsen. I am a resident of the city of Toronto at 1920 Bloor Street West. I speak on behalf of myself and as a member of the board of directors of the Multiple Dwelling Standards Association, which is one of the largest and oldest apartment owners' organizations we have in Ontario.

I will follow the Assessment Act; things like that I will refer to, just to prepare you on it.

The proposed section 63 market value real estate taxation system for Metropolitan Toronto only increases the huge inequity already existing for tenants of apartment buildings with seven or more units. There are several city of Toronto studies backing this up. One was under the auspices of Jack Layton.

The changes in real estate taxes, when the temporary caps are removed, will cause such apartments to be taxed about five times higher than single-family houses, condominium apartments and non-profit and private co-op apartments, an increase from the present rate which is 3.9 times higher than for the single-family house class, according to the Ministry of Revenue, making units in apartment buildings of seven or more suites the highest taxed real estate in all of Metropolitan Toronto.

To insist that such class 2 properties, under the proposed section 63 system, continue to pay 13.9% of the total real estate taxes generated in Metropolitan Toronto will force the average tenant in about 310,000 apartment units to pay an extra $1,290 per year in rent. For many, it could make the difference between going or not going to the food banks.

An apartment building faced with a 17% tax increase based on the 1984 assessments is now facing an increase of 123%. It's the same for all apartment buildings. They're all under the same rent control and the same yearly permitted increase, and still it went from 17% to 123%. A neighbour's property faces an increase of 169%. Such increases are likely caused, at least in part, by the apartment building class assessment base having been greatly reduced by the Ontario Supreme Court decision released September 6, 1984.

I'd like to bring this to your attention, and really consider this thing, because this is a very serious part of this: The court ruling transferred condominium and co-op apartments from the apartment real estate tax class 2 to the single-family house real estate class 0, a reduction of about 25% in the assessment base for the apartment building tax class and an increase of 20% in the single-family house tax class. Ironically, it seems to correspond to a 25% increase in real estate taxes for apartment

buildings in relation to their market value in 1988 and a 20% decrease in real estate taxes for single-family houses in relation to their market value.

Metropolitan Toronto's section 63 real estate tax proposal does not address this massive assessment transfer between the taxation classes 2 and 0, which on top of the already existing inequities, results in a yearly additional taxation of about $400 million in real estate taxes, which tenants ultimately end up paying in higher rents even though their income is probably, on average, only one quarter that of home owners.

On page 2, I am referring to what is in the Assessment Act in 1990. It says here in the minutes of the Metropolitan Toronto council on October 29, 1992, that it unanimously approved, as part of the market value assessment debate, the following motion by Councillor Shea, who happens to be my councillor, "The provincial government be requested to redress the current assessment that perpetuates inequities between home owners and tenants." I worked for 14 years to get that motion approved. The vote was taken and you have all the names there. It was unanimous.

Subsection 63(3) of the Assessment Act reads, "Where the minister considers that, within any class or classes of real property in a municipality" etc. But where it really gets important is that the minister "direct that such changes be made in the assessment to be contained in the assessment roll next to be returned in that municipality as will, in his opinion, eliminate or reduce inequalities in the assessment of any class or classes of real property." It says "if so requested by a resolution of the council of such municipality." Now, the legislation says the local council has to request the minister to make the changes, and it did so.

Further, it says:

"(a) prescribing standards and procedures to be used for the purpose of equalizing and making equitable the assessments of all real property belonging to the same class in the municipality;

"(b) prescribing the classes of real property into which the real property in the municipality shall be divided for the purpose of this subsection."

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On page 3, it says Metropolitan Toronto council, through its motion, complied with the Assessment Act. My question is, are the minister and the provincial government going to comply with this request "that such changes be made in the assessment to be contained in the assessment roll next to be returned"—that is to say, the immediate assessment roll, to the municipality of Metropolitan Toronto? Speedy correction of this gross inequity is of the utmost importance to tenants. It is strictly in the hands now of the Ontario provincial government.

The province of Manitoba, I am led to believe, had the same problems about a year ago and directed all municipalities in Manitoba to amalgamate, over a 10-year period, all residential real estate tax classes into one class, which in my opinion is the only fair and democratic way to deal with this issue.

In Metro Toronto there is no similar real estate tax class for the commercial real estate, class 3. There is no distinction between the Yorkdale Shopping Centre, the Toronto-Dominion Centre, the local corner store or a small two-storey office building. But three different classes exist for residential properties, where the taxation for class 2 properties is now nearly four times the taxation of class 0 and is proposed to increase now to nearly five times.

I want to present to you examples of this classification mess. For example, an owner-occupied high-rise condominium apartment is taxed one quarter the amount of a similar tenant-occupied condominium apartment in the same building if leased by the management. The same applies to a low-end-of-market-rent apartment in a non-profit co-op apartment building; the ones rented out to private individuals under rent geared to income. In a similar low-end-of-market-rent apartment in a Cityhome apartment building next door they had to pay four times the taxes.

An apartment in a duplex and a similar apartment in a neighbouring seven-suite apartment building are in the same situation, with four times higher taxation for the seven-suite-or-larger building.

With a rented row house in a seven-unit row house development and a similar rented row house in a seven-unit row house apartment complex—identical units, same location—you find the same idiotic thing. As a matter of fact, that was the situation that originally started the court case to the Supreme Court, over condominiums that came out of a similar row house complex in Ottawa.

My neighbour's medium-sized, 72-year-old one-bedroom apartment suite—and it's no hell, I can tell you—is proposed to be taxed $3,830 a year, which is close to five months' rent, and that's practically the same taxation as the $385,000 home of the chairman of Metro, Mr Alan Tonks. If it was taxed properly, the tenant in this case would probably save about $2,400 a year, about $50 a week rent. We're not talking small amounts here.

My second major concern is the peculiar 1988 provincial assessment of smaller low-rise apartment buildings. I want to refer you back to what I said earlier about the Assessment Act. When assessing single-family homes, the assessment was supposed to be based on their market value in 1988, so eventually the real estate taxes for a $220,000 home, which was pretty well average in 1988, would be the same anywhere in Metropolitan Toronto. For apartment buildings I was at least given the impression that the assessment was based on the gross rental income, which can easily be confirmed through the rent registry. The rents reflect the vicinity, if you're close to the subway or far away from it and so forth. They have been regulated for years and the apartment preservation act prevents their conversion to co-op apartments or other uses, so the 1988 rents reflect the income-producing ability of any apartment building.

Then why is the 1988 assessment, for example, for 1920 Bloor Street West based on 12 times the gross income? This happens to be my building. Only five or six doors away from me, 1942 Bloor Street West is 10.8 times the gross income; 1950 Bloor Street West, 10.6 times. I'm going to go a little further down the street to 2555, another small apartment building: 9.3 times the gross income.

I look across High Park, and when there are no leaves on the trees I can practically see the building at 83 Indian Road, 9.5 times the gross income, and another building, as the crow flies, at Claude and the Queensway, 200 yards away from 83 Indian Road, 8.6 times the gross income. My God, where

were the assessors? What's the principle? The generating ability for paying the taxes is the same for every one of those buildings.

This is not just my neighbourhood. I have a similar situation in the St Clair-Spadina-Bathurst area; within very short distances they vary from 8 times the gross income to 12 times the gross income. I have even heard examples of 7.6 times the gross income being used.

I'm led to believe that the Fair Tax Commission is recommending that all residential properties should be treated equally for real estate taxation purposes. I'm wondering if the minister is going to address this Assessment Act issue so that all those things are raised. I can tell you that tenants certainly are looking for a speedy redress, and I would like to know when the government will move on this issue.

The Chair: Thank you very much for your presentation. We'll begin with Mr Mills.

Mr Mills: Thank you, sir, for coming here this morning. I think your concerns about equity are very legitimate, but having said that, we have a problem here that has been ongoing for about 40 years. What I suppose I'm going to say to you is that if we had one residential class right now, it would result in an increase of 29% on every single-family home and a decrease of 65% in taxes on residential properties of seven units or more.

So what I'm suggesting is that this interim plan allows the government, over the next five years, to come up with a tax reform, fair reform, and to put that to Metro at the end. I don't believe this issue is about the fairness of the MVA. I think it's a different issue. It's about an interim plan to allow time to come to grips with this during the five years and then to address all the inequities and concerns you have, which are very legitimate.

Mr Amonsen: I can only refer back to the Supreme Court decision. Things should have been redressed with respect to what happened with that Supreme Court decision. I think this would have been the appropriate time to do it, and not delay it. It's obvious, without any question, that that had lots to do with the inequities we have now. I certainly think it should be redressed as soon as possible. It might help on the welfare roll if some of the tenants had $50 more in their pockets every week. Under the circumstances we have now, when we consider that the average house owner probably makes four times the income of the average tenant, I think it's a thing we cannot wait.

Mr Mills: To put 40 years right like that is very difficult.

Mr Amonsen: I'm well aware of all that. But our problem particularly got activated in 1984.

Ms Poole: Thank you for your presentation today. You and I have had many conversations over the last five or six years about this issue, and I've written letters in my newsletters about it as well. It definitely is great cause for concern.

One of the things that concerns me during these hearings was that this issue was brought up earlier in the week by various representatives, some landlords and some tenants. They asked questions such as: "Is the government going to answer Metro's request? Are you going to look into the equalization and bring it in?" The minister made a very brief appearance at the committee Tuesday night, and because we weren't allowed to ask him any questions, I asked permission of Andrew Stewart if I could pass the question on to him.

When I asked the question, "Are you going to bring in this greater equity for tenants?" his answer was: "It's Metro's plan. Go back and ask Metro." The Minister of Municipal Affairs, who has carriage of this legislation, did not comprehend that, first of all, it was a provincial responsibility and, second, that the Minister of Revenue would have to amend the Assessment Act under section 63, which I think they now call section 58, in order to effect this.

I found it not only surprising but quite appalling that he had so little understanding, so I'm not sure you're going to get that relief you're looking for.

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One thing you may get some help on, though, is your situation about the temporary caps being removed. Obviously, this affects all residential property, whether they be single-family or multiresidential apartment buildings. One thing you've brought to our committee that is new is your calculations that temporary caps removed will cause such apartments to be taxed about five times higher rather than the 3.9 they are currently.

I am going to be proposing an amendment next week when we go into clause-by-clause to retain those protective caps on properties at the time of sale. I cannot guarantee that amendment will pass. It is up to the government, which has the majority, but I will guarantee that the amendment will be placed. On the one hand, I can't offer you hope about the equalization, but on the other, we have a very small chance, if this government will listen and protect tenants by making sure that cap stays on.

Mr Turnbull: You bring two very important points before us, the first being the request by Metropolitan Toronto to correct this historic imbalance between multiresidential and single-family housing. But the other thing I want to make sure I bring out for this committee, because I just did a quick calculation while I was reading through your thing, is with respect to the income approach, where they've got a range from 12 times gross income to 8.6 times gross income.

If we could possibly get any of the NDP to listen to what I'm saying, they might learn something. There isn't any attention being paid. Hello? Would any of the NDP like to listen to this?

If you take $100,000 gross income of an apartment building—once again, they're not listening—and you take it at 8.6 times the gross income, you arrive at a value of $860,000. If you take that same $100,000 gross income and you take it at 10.6 times gross income, then it would be an indicated value of $1,060,000. The same income at 12 times gross income is $1,200,000. In other words, 40% more, and that will translate itself into 40% more taxes, even though they're already paying on the basis of 8% as opposed to 2.2%. Could you comment on that?

Mr Amonsen: I can only say it's horrendous. I don't know how my neighbour can survive when you have to pay five months' rent in real estate taxes. There's nothing left. If you have the slightest bit of mortgage on it, then I don't know how he'll do it, to be honest with you. If they put that 169% increase through, he's finished.

Mr Turnbull: If this government seriously had a shred of interest in the tenants, it would be prepared to do something about it. They have the opportunity to fix it now, and they're ignoring it.

Mr Amonsen: The Assessment Act says they are supposed to do it. It's contrary to the assessment law.

Mr Turnbull: Indeed, at the top of page 3 of your submission, you say Metropolitan Toronto council "complied with the Assessment Act. My question is, are the minister and the provincial government going to comply with this request 'that such changes be made in the assessment to be contained in the assessment roll next to be returned.'" I haven't heard one answer.

Mr Amonsen: "Next to be returned" are very important words.

Mr Turnbull: Perhaps, in view of the fact that you've asked a direct question of the government, I will ask the parliamentary assistant if he would maybe respond to the question you've asked.

The Chair: The parliamentary assistant did ask if he could respond, so I'll turn it over to the parliamentary assistant.

Mr Mills: Ms Poole stated in her comments that the Minister of Municipal Affairs didn't know that the province needed to change the Assessment Act, and that's not true. Metro, if it wishes, can do it. It has chosen to turn it back to the government, but Metro, if it wants to, can do it. They have the techniques there.

Mr Turnbull: They can change the Assessment Act? That's just not true. That's simply not true.

The Chair: Order.

Mr Mills: It says here, "No change to the Assessment Act is required for Metro to deal with this issue." No change is necessary.

Mr Turnbull: You're saying two different things. You're saying that Metro can change the Assessment Act. They can't.

Mr Mills: No, I'm not saying that.

Mr Turnbull: Well, you did say that.

Mr Mills: Don't get so edgy.

The Chair: Order, please.

Mr Turnbull: That's not edgy. I'm simply pointing out what you said.

The Chair: Order, please. Let Mr Mills just state what—

Mr Mills: Metro could have requested that all residential property classes be combined. No change to the Assessment Act would have been required. But Metro did not request this modification. They had the power to do that, but they didn't ask for it.

Mr Turnbull: Excuse me.

The Chair: Mr Turnbull?

Mr Turnbull: For your enlightenment, let me just clarify it for the parliamentary assistant. Metro council proposed that "the provincial government be requested to redress the current assessment that perpetuates inequities between home owners and tenants." That's what Metro requested.

The Chair: Mr Turnbull, can I just make sure Hansard knows you're quoting from the presentation?

Mr Turnbull: That is directly the request by Metropolitan Toronto to the provincial government.

Mr Mills: They're just passing the buck, basically, but they did have that authority here.

Mr Turnbull: Since they've passed it, in your words, are you going to do something about it?

Mr Mills: I'm not going to comment on that.

Ms Swarbrick: Do something about which government put a law in in the first place, you mean?

Mr Turnbull: No, we didn't put that in.

The Chair: I think there's clearly an issue here which is part of the debates. I think the question has been placed. I want to thank you very much for your presentation. You have raised a number of questions, and one in particular which will, I'm sure, continue in debate. Thank you again for coming.

Ms Poole: Mr Chairman, on a point of order: I am quite concerned, because the parliamentary assistant has just placed information before this committee that I am convinced is completely erroneous. In order to amend the Assessment Act, which dictates what classifications are—that section used to be 63 of the Assessment Act and that's what everybody still calls it but it's now section 58 of the Assessment Act—that would have to be amended if they were going to change classifications. What Mr Mills is saying is that this is Metro's responsibility. I would like the parliamentary assistant to explain what he means by that, because quite frankly his comments are quite contradictory and we cannot understand where he's coming from.

The Chair: Would you like to place that as a question to which we could get a more specific answer, in the way we did in the letter from Mr Cooke?

Ms Poole: No, Mr Chair, I would like Mr Mills to answer that right now.

The Chair: Well, I will ask him to reply.

Mr Mills: We are prepared to table a written answer to that question later today.

Ms Poole: But Mr Mills, there may be people who are watching this right now who will not watch these proceedings later today and will not know what the answer is. You have already indicated that you had a response to the question. You have given a partial response and we would really like clarification of what you meant. Or are you saying that you don't know what you were talking about and therefore have to have the ministry officials bail you out later?

The Chair: Ms Poole, you've asked the question and the parliamentary assistant has said he is going to table a written response. We'll just have to move on from there.

Ms Poole: So he doesn't know what he was talking about?

The Chair: We'll get a written response later, and when that comes, we can share it with those who are viewing.

Again, I'd like to thank you very much for being with us.

Mr Amonsen: We said you'd need a legal opinion.

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UPPER YONGE VILLAGE BUSINESS ASSOCIATION

The Chair: Is Mr Barry de Zwann here, if I've pronounced that correctly? If not, perhaps the representatives from the Upper Yonge Village Business Association would be good enough to come forward. I'm sorry: the representative.

Ms Michele Kesten: I was hoping others would come, but this is our busiest time.

The Chair: I know sometimes when you come into a committee the first time we look all terribly mean and ornery, and we really are just nice, warm, fuzzy people and we're delighted that you could come this morning and that you'll share your thoughts with us, so please have a glass of water and just relax.

Ms Kesten: First of all, it is very scary. We're not business people; we're not independent business people; we're not used to making depositions. It's the first time I've been here.

The Chair: We thank you for coming and I think, frankly, in these hearings we want you to come forward.

Ms Kesten: I have an apology to make. This is our busiest time and we don't have a typed-up presentation to make.

The Chair: Not everyone does.

Ms Kesten: Oh, good. I just want to make sure you have a copy of the figures.

The Chair: Could you just identify yourself for Hansard.

Ms Kesten: My name is Michele Kesten. I'm the owner of a store called the Casual Way in the Upper Yonge Village. The Upper Yonge Village is on Yonge Street north of Eglinton, between Broadway and Lytton, south of Lawrence. My friends north of Lawrence agree with what we are going to say, I'm sure, and I was hoping they would be here, too, but it is our busiest time.

Can I just make sure you have the one typewritten copy I have? It's facts and figures.

The Chair: Yes.

Ms Kesten: Great. If you'll excuse me, I'll read this.

The business community of the Upper Yonge Village is opposed to Metro Toronto's changes to the real estate and business taxes. We do believe in a fair tax system, but the proposed MVA system is unfair.

We are frustrated by the planned implementation and appalled by the irresponsible process by which these proposals have been handled by Metro council. We urge the provincial government to reject these proposals and suggest that you ask Metro Toronto to find a more realistic tax system.

MVA is not a fair realty tax system by itself. It doesn't take into account the use or efficiency of services or the quality of the units. Older parts of Metro have already paid for the building and implementation of services needed for growth and are now being asked to pay again for new urban growth and for suburban sprawl. We feel that market value, using only one year's assessment, isn't viable in the turbulent real estate market of Toronto. Not all property values rise and fall proportionately here.

There are also great concerns with the assessment itself. It seems that location has played too great an importance in evaluation. However, the assessment guidelines are not available. We have no way of judging whether these guidelines are viable or not. Where is the accountability for these assessments? We all can rhyme off so many inconsistencies that we really have to suspect them.

In another matter, we question why commercial properties are taxed at a higher rate than residential properties.

I'd like to address the implementation now. The 10%, 10%, 5% compromise for business payment of MVA doesn't really cover up for the fact that MVA stinks. It really means that some of us will be able to get through another year, perhaps. However, I don't expect my business to increase by the 20% needed to pay a 10% increase and we'd be totally overjoyed if any one of our businesses saw an increase in business able to pay a 25% increase in three years' time.

If this comes on top of the 5% expected increase in Metro taxes, this really means 15%, 15%, 10% increase, and we can't expect a 40% increase in business in three years. For us to pay a 40% increase, we have to do over 80% increase in business; 40% to pay for the goods and another 40% extra to pay these taxes. That's not counting on the fact that we have to hire extra people to do this increased business, or we have to do it by advertising or some other means, all of which costs money.

Some people may say: "Oh, good. You're getting a great deal. You're only having to pay a 10% increase." That's wonderful compared to 100%, but it's not wonderful if we don't have it, and we don't.

If you can't collect this increase from businesses—if we close—then you're up the creek because the residents will have to pay the difference in order for Metro to run its business.

There has been great bitterness and divisiveness in Metro Toronto. We are hearing of tax strikes, and there are many people in the Upper Yonge Village who are organizing this and who are in favour of it. We have the proposal of the city of Toronto to leave Metro, and I think really what the province has to do is ask why. I don't think it's completely or in part due to the fact that we have to pay an increase in an unfair tax system. I think the main reason the tax strike talk and leaving Metro is going on is because of complete frustration with the way Metro council has handled this whole issue.

There was no time for the public to even get the proposed facts on MVA. Our association received our proposed tax changes, which went from 100% to 400% increases, only two weeks before management committee met. That was mainly because one of us had met with Anne Johnston and she had warned us ahead of time that we should be watching out for this.

Our association isn't even a year old. Had this happened a year ago, there would have been nobody in our area to contact to notify us. In two weeks, people, many of whom might have been taking a little bit of time off, had to scramble and try to figure out exactly what was going on. You're all used to this but this isn't our business. It took us a long time. Within two weeks we had to talk to Metro and we had to dress up in silly costumes and stop traffic to make people even realize what was going on.

Even two days before full council met, we received pages of North York businesses that were going to be receiving an increase of over 100% in their realty taxes. We started phoning some of these people and they were shocked. North York

business people and North York residents expected their taxes to go down, and all along Yonge Street there were many that were going up. This was two days before Metro voted on it, so these people had no way of giving any input into the process.

We don't understand why there was such a rush, at the expense of fairness, to implement these changes by January 1, 1993. I guess this is the time now to look at this sheet I gave you. We held an emergency meeting when we found out what was happening and managed to collect—did you want me?

Ms Poole: After you finish your presentation.

Ms Kesten: We just asked a few questions and managed to get the following information. Of the 51 people who handed in this information, the average tax increase was 202%. The anticipated business closures were 64.7%, and this included a couple that was going to relocate out of Metro.

One of the questions was, "How will you try to pay for these taxes if you don't close?" We added up the number of people who were closing, the number of employees they had and the number of job positions lost if MVA was brought in, and that was 119 out of the original workforce of 395. This doesn't count the employers or the business owners who are without a business if they close.

We just wanted a general idea, and this isn't a wonderful research piece, but it gives an idea. We assumed that each employee was earning $20,000 a year. We took the income tax deductions, the CPP contributions by employees and employers, the unemployment insurance, the health tax, all the various taxes that are taken, and we found out that the loss to the three levels of government just from the tax loss from the unemployed people was $767,431. We figured out what the people who would be unemployed would collect in unemployment insurance. They would be paid over $1 million.

All told, the number of job positions that would be lost by closures in our little survey of 50 people would have amounted to, once you figure out all the other losses to the government, $2 million that the three levels of government would have lost to do their business. This would have to come from residents.

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Even assuming that this isn't totally, 100% accurate, it still gives an indication of the problem. We have over 200 businesses in the area. If a quarter of the businesses could conceivably cost the government $2 million, then multiply it by four. That's $8 million. There are at least 15 business communities that I can think of that are being hit by this, and that adds up to a lot of dollars.

This survey is not scientific, but I think it gives a good indication. By the way, this isn't scaremongering. The last thing a business person wants to do is to tell anybody they're considering closing or that they're not going to be able to hang on. The bank immediately starts getting nervous; our suppliers get nervous. Nobody willingly writes down their name and says they're going to do it, and all the people wrote their names down. So this is a pretty serious thing.

The reason I give you this survey is just to show you the lack of information that Metro council had to decide to bring in this severe tax measure. This just indicates the shortfall in government money to do its business; this doesn't account for all the other economic benefits that businesses give.

This is, I agree, the original 100% increase that was to have been paid January 1; it's not the 10%, 10% and 5%. However, it gives an indication that something is wrong and somebody wasn't doing their job, or business just isn't understood.

The proposals would have been and still are equally disastrous to the nature of Metro Toronto. Without viable businesses in the centre of Metro, it is a concern that we would have a concrete jungle in the centre of Metro, that we would have people running from the suburbs, taking the highways of Yonge Street and Bay Street down to O'Keefe Centre and to Bay Street offices and we wouldn't have the lovely city that we're all so proud of.

Yet again I have to ask, where were the economic and social impact studies done? Why is Chairman Tonks talking on the radio about doing them now that we have the five years of 10%, 10% and 5%? I think that's disgraceful, that he should have waited so long to even think about such a thing. We had a very short time line, for what reason I don't understand. It seems more time was spent on consideration of trolley buses than on this new tax system which would change the economic and social fabric of Toronto.

Instead, we had a series of three all-night meetings, mad scramblings and last-minute adjustments in Metro Hall that resulted in no one being satisfied and the idea of tax strikes being a very feasible idea. We feel Metro Toronto deserves better government than we received. For a new tax system to be introduced, we deserve the facts and we deserve time to evaluate them. We expect our representatives to give proper consideration, to do necessary economic and social impact studies. We have to condemn Metro council's irresponsible behaviour and hope the province will not rubber-stamp this mess.

I haven't given you specifics, but if you have anything—

The Chair: There are a number of questions. Thank you very much. I have Mr Mills, Mr Turnbull and Ms Poole.

Mr Mills: I would just like to correct for the record item one, some relevant facts. Of course, the 202% average tax increase is not correct; it's 25% spread over three years, based on the 1992 assessment.

Ms Poole: You said that in your speech.

Ms Kesten: Yes.

Mr Mills: I'm just getting it on the record. Pardon me. I have the floor.

The Chair: Order, please.

Mr Mills: I'm getting a little bit fed up with this.

The Chair: Order, please. We're here to listen to the witnesses. Mr Mills, if you could conclude your comments.

Mr Mills: That's it, but I appreciate having the floor when I get the floor and not having interruptions, Mr Chair.

Mr Turnbull: Well, you did that to us before.

The Chair: Order, please.

Ms Kesten: I did mention that.

Mr Mills: I realize that.

Ms Kesten: The reason I brought these forward was to show you the frustration that the business community feels, the distrust we have with the way this was brought in. I don't understand how this could have even been brought in in the first place. That's why I brought this forward, to show you the fear that we have. But even if this goes through five years from now, I don't think we're going to do all that wonderfully in five years' time that we'll be able to handle this either, and pay 100% increase.

The other problem I have to tell you is that we were expected to pay this on January 1, four months away. Our business plans go until—well, they're a year in advance—June. I had already ordered merchandise, and to be hit all of a sudden—I was off easy, my realty and business taxes doubled, so all of a sudden I had to find an extra $15,000 to pay if this had gone through. As it is, it's going to be hard, but I just brought this forward to indicate the problem of the lack of economic impact study.

Mr Turnbull: I'll just give you a little bit of my background. I was not in politics before the last election. I hadn't dreamt of being in politics, quite frankly. My wife runs a small retail store and I know the problems you have in these very difficult times.

When I was sitting at home—before I was in politics—reading the newspaper, I used to often see, during the 1988 boom, Bob Rae absolutely railing in the House about speculation and how awful this was. The amazing thing is that this property tax is based on the speculative boom of 1988 to the extent that a tenant in a shop had absolutely no way of cashing in on the speculative boom in real estate because they were the tenant. It's absolutely ludicrous.

The value of shops in those days was not based on the income flow because it didn't make any sense—the prices that were being paid. Now you're locking in a system based upon the speculation that Bob Rae said was so awful that you had no way of capitalizing on and in fact that—

Mr Anthony Perruzza (Downsview): You guys invented this.

The Chair: Order, please.

Mr Turnbull: The landlords who didn't get any—

The Chair: We are here to listen to the witnesses and the questions. Order, please. Mr Turnbull, sorry. I just want to be very clear: As the Chair, I will not tolerate interruptions. We're here to listen to the witness and to questions. Mr Turnbull has the floor. Thank you.

Mr Perruzza: Mr Chairman, on a point of order.

The Chair: Let's just continue. You'll have an opportunity to speak later.

Mr Perruzza: On a point of order, Mr Chairman.

The Chair: Briefly.

Mr Perruzza: Mr Chairman, when you get on the record information that is inconsistent and incorrect—

The Chair: That is not a point of order. We will have opportunities to debate the issues, Mr Mammoliti, but this morning—

Mr Perruzza: But they set up the system.

The Chair: Mr Mammoliti, this morning we're here to deal with the witnesses.

Mr Turnbull: We have had a series of stupid interjections, and you'll get used to it as you watch this.

To the extent that the landlords who didn't sell their properties during 1988—they could have cashed in on it, but they didn't. They were in for the long haul. They weren't speculators, to the extent that employees didn't gain from that speculation and to the extent that employers who were tenants didn't get any benefit from it, and the NDP were saying how awful the speculation was.

You're now locking in a system based on 1988 speculation which has no relevance to the turnover you can do in the shop, and also your business taxes are based upon that. Does it not seem incredible that we have a government prepared to press ahead with this, notwithstanding that the Fair Tax Commission is about to report and say it doesn't like Metro's MVA plan?

Ms Kesten: I don't want to get into politics here; I'm just trying to give the situation as I see it. You mentioned the Fair Tax Commission. This was another thing that peeved us very much, that Metro council seemed to bamboozle this thing through before the Metro tax commission on property and realty tax gave its report. They knew it was coming; they still rushed it.

It does irk me that there was speculation. How it affects me is that in our area we had an unusual situation. Just before the assessment was done, our rents increased immensely. Sporting Life moved in. Everybody thought Sporting Life was going to bring tons of business to the area. The rents more than doubled in a very short period of time.

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At the same time this was happening, I suspect that the Bay Street buildings were losing their value. They had already seen the recession, perhaps, and they were losing value, and then along comes the assessment. Well, certain buildings were already feeling the recession, so their value wasn't as great. We were in a very unusual situation because there was very high optimism in the area. Of course, the optimism was a little bit too high and things didn't materialize as everybody had expected, and rents started to decrease drastically after the assessment was done.

Here we are on Yonge Street facing a high assessment. Since the assessment was done only in one year's time, it isn't a fair assessment because it doesn't really give the highs and lows. I've heard the argument that values are falling proportionately all over Metro. I don't think that's true, just from my own experience.

Mr Turnbull: That's perfectly correct. As a real estate broker, I can confirm that the increase and decrease was uneven across the city, particularly in rents on Yonge Street, Avenue Road, Bayview areas.

Ms Kesten: Not to mention the fact that I think the assessments can't quite—I just don't agree with the assessments, so that's why I was fearing that the assessments. Even if we do take an assessment to take one year, I can't see it here in Metro.

Mr Turnbull: Would I be correct in thinking that there were many tenants who were locked into long-term leases at

much lower rates who, if they had had to pay the rent of 1988, in fact wouldn't have been able to continue?

Ms Kesten: You can see that happening. A lot of businesses in our area had 25-year leases at way below market value. As soon as their leases were up they were out, and there's been a high turnover of businesses in our area.

Mr Turnbull: Yes. Thank you very much.

The Chair: Just before turning to Ms Poole, I apologize, Mr Perruzza. I identified you as Mr Mammoliti and I apologize to him as well. I don't know whether it's sitting till midnight all week and getting blurry-eyed or what.

Mr Perruzza: That's all right. I just wanted Mr Mammoliti to get on the record.

The Chair: In any event the Chair, having recovered his senses, turns the questioning over to Ms Poole.

Ms Poole: First of all, Michele, welcome to the committee. I was very much hoping that the Upper Yonge Village Business Association would present, because if members of this committee had walked up that stretch of Yonge Street, they might not be quite so cavalier about these numbers.

In store after store, newspapers were spread across the front windows so all you could see was a big sign that said, "Current taxes $4,600, proposed taxes $16,900," and literally there were 200%, 400%, 600%, 800% increases. It was astonishing and this 65% figure is the tip of the iceberg.

Even though these figures were questioned, because there is a 25% cap, the information—

Ms Kesten: For the first three years, which is very scary to us all.

Ms Poole: Plus any normal increases that Metro passes on, and you're being very generous by presupposing that the school board and Metro council could limit their increases to 5%. That would be nothing short of a miracle if past performance is any guide.

So you're looking at a 40% to 50% increase over the next three years. There are 41,000 businesses across Metro that will face the full 25% increase protection of the cap plus the others. Of that, 41% are in the city of Toronto, and I suspect an enormous proportion of those businesses are in our area.

My question for you is, with this 40% to 50% increase over the next three years, will the vast majority of those 65% of businesses that said they will go out of business still go out of business and will we still lose those jobs?

Ms Kesten: Oh, dear. Unfortunately, and I say this, I don't think the businesses really realize what effect this will have on them. I think they are so overjoyed by this false 10% increase and the fact that they'll last another year that I don't think they realize what's happening.

I hate to say it but I know what's going on in our area. I know that when we had a meeting—we wanted to form an association—we had decided on a certain membership fee, and the two bankers who were there said we had to cut it in half, that they knew what was going on. So I'm not privy to people's financial situations, but I have an idea and, yes, I think this is very close to relevant still, quite frankly.

It's very hard for us as business people to make our problems known. We're all independent. We have two offices in the whole 200 buildings. We have back rooms. We work at secondhand desks and we're surrounded by merchandise. We don't have the facilities to make known our problems to the various government areas. We work six or seven days a week and we're working a good 10 hours a day and taking work home. It's very, very difficult to come up here and talk. It takes days to make presentations, days that we don't have, and I think this has been a problem I see, because I see the frustration with the tax revolt.

The reason I'm here—you know, everybody said: "Why bother? You've got so much work to do, why bother?" It's taken me days to prepare this and I don't even have a typewritten thing and everybody said, "Why bother?" I happen not to agree with the people who are doing the tax revolt, mainly because there's another step before we make our frustration known. That is to educate the various levels of government on the problems businesses have, and we haven't done a very good job. This whole thing that comes out that we're expected to do a 100% increase in our taxes in January gave an indication, and that's really why I'm here. As business people, we just don't have time to do all this stuff. We don't have the facilities.

But just to answer your question, I think there's going to be a huge turnover. Even since this has all begun, we've seen four businesses—five businesses, I've just heard—go out of business in the last couple of months. I am fearful of what's going to happen after Christmas. I see cutbacks all over. Once you start cutting back on service to your customers by staff or you cut back on advertising, all those things, that means you're going to cut back on your ability to do business. I've seen it all up and down the area.

Ms Poole: Your presentation has been excellent and I hope you feel it's been worth your time. It certainly has been from our perspective.

Ms Kesten: I just hope that politics won't get mixed up in this, but I'm fearful—

Ms Poole: It always does.

Ms Kesten: From all parties.

The Chair: We thank you very much for coming in. You were mentioning about informing people of issues and problems, and that's the way it happens, so we need people such as yourself to come forward. Thank you again.

Ms Kesten: I'll tell you, it's hard to do. Thank you.

The Chair: I'd just like to note for those who are going to be presenting that there was some confusion around the time when one presenter would be here. I'll just read out the order we have through to lunch so people can know where they will be. Our next witness will be Mr Klaas Vangraft, then Mr Joseph Tseng, Ontario Hydro, and Bob McMullen.

KLAAS VANGRAFT

The Chair: Would Mr Vangraft be good enough to come forward? Thank you very much. If you would be good enough to introduce yourself for Hansard, then please proceed. You have 10 minutes, and I would just mention that you may use all of the 10 minutes in your presentation or, if you want to leave a bit of time for questioning, that's fine too.

Mr Klaas Vangraft: My name is Klaas Vangraft and I just appear as a private citizen and home owner in the downtown Toronto area. I will not take 10 minutes probably. I've

just written down some very quick thoughts, as I didn't have much notice ahead of time to appear before you. I will just read my note summation here to you.

Dear committee members and Mr Chairman, I appear before you out of concern about the effects of the proposed market value assessment taxation plans which Metro Toronto is asking this government to ratify before the January 1, 1993, deadline.

It may be best if I illustrate the effects that MVA will have on my family's situation. In 1966 we purchased our current dwelling place, not for speculative reasons, but as a decent residence for our young family. The fact that we still reside here attests to the fact that we like the location and the home.

The purchase price at that time was $38,500. Property taxes seemed manageable and have increased over the years to a current rate of $3,339 per year. The house is now assessed at a market value of $1.096 million, and by the original Metro proposal our taxes would increase to $10,210 per annum, an increase of approximately $7,000 per year. I am partly retired, and at my age and in my profession it is highly unlikely that my income would suddenly increase by the proposed Metro increase of $7,000 per year.

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Many people in my area are retired and will face extreme financial pressure if MVA is introduced, some to the point of having to move to cheaper accommodations. This would have devastating effects on the fabric of our neighbourhood, which many have chosen for its ambience for decades.

I must protest at this point the extreme haste in which this process is taking place. The hearings in front of the Metro committee were a devastation to the many presenting briefs. In my case, the opportunity to speak was afforded at 3:45 am, by which time many people had left and the committee seemed, to put it politely, disinterested.

The watered-down version of full MVA will not cure the financial dilemma Metro finds itself in and will lead to major disruption of the downtown area. Many of us are still baffled by the methods used to assess our properties and would welcome information on this process so that we may have a feeling of confidence in the many levels of bureaucracy that govern us.

I'm stating my Toronto realty tax assessment number in case you wish to verify my statement. The lot size has remained the same, 75 by 50 feet. The house has not changed other than modest updating of wiring, plumbing etc since 1966.

I close by opposing strongly the proposed MVA method of taxation. Many of us are not speculators and wish to live in an environment where public services are rendered at a fair cost and in an efficient manner by our municipalities, not at a cost based on some hypothetical market value that may change from year to year and from economic cycle to economic cycle.

Neither the economic climate nor the financial state of many citizens and businesses can stand this method of taxation, and I therefore urge you to decline the request from Metro to legalize this way of increasing its revenue. I thank you for the opportunity to vent my concerns.

Ms Poole: Mr Vangraft, thank you very much for your presentation today. I think you well illustrated something that not too many presentations have brought out to date, and that's that at the time a lot of people in the city of Toronto bought their homes, they were fairly modestly priced. People bought according to their income and according to what they could afford for mortgage payments and taxes.

However, over the last 20 to 30 years, particularly the last 20 years, the real estate market has gone berserk in Metro, and particularly in the city of Toronto. You stated the instance of a $38,000 home now going to a market price of over $1 million, which is fine if you're going to sell it, but you want to live there and you illustrate the problem I have in my own area.

On my street, in Banff Road, there are primarily senior citizens who reside there. In fact when my husband and I bought the house in 1975, we were the only people on the entire street who had children. I moved there at the time my son was born. Most of those seniors are still there. Their income level has not increased. In fact it's gone down substantially since they first bought the home.

Many of them were born in the home, that's how long they've been there, since the early 1900s, and they simply—my husband and I are fine. We're both professionals, we both have a good income, we don't have a problem. But this plan is not based on income. It is a supposed wealth tax, but it presupposes that people who bought their houses 20 and 30 and 40 years ago are wealthy. I just would like you to comment on that, because I think it's a real problem with this proposal.

Mr Vangraft: Yes, I agree, and in my area particularly some of the houses in the boom were bought by speculators and even torn down and monster homes built up, and of course they go for a sizeable amount of money, which affects the people around them tremendously, especially in my case. I have a house across the road where they bought the property, razed the house, built a monster home and it's on the market for $2.25 million, and I have no say in that. My income hasn't changed. In fact it's probably, as you say, gone down.

I'm prepared to pay fair taxes on my property. I think most people who make presentations here are. It's just the sudden jump and the fact that it's based on 1988 prices and the fact that many of us do not plan to sell our homes in any shape or form. In fact the valuation of my home is outrageous. The size of the property is 75 by 50 feet and it seems to me a tremendous amount of taxes and increase.

I grant you that Metro has watered it down after all the hearings in order to probably get some form of this passed, but I do want to state the fact that this method of assessing is totally erroneous and unfair to the majority of citizens.

The Chair: I'm sorry. I'm going to have to move on to Ms Swarbrick and I'm going to allow Mr Perruzza a short question, having wrongly identified him and feeling still very guilty about that.

Ms Poole: Call me somebody else too.

The Chair: So Ms Swarbrick and Mr Perruzza, and if our questions could be short and direct.

Ms Swarbrick: Thank you, Mr Vangraft. I think you show very clearly why Metro did feel that it clearly had to limit the

residential increases to 5%. I think you also show very clearly not only why my government is not in favour of going to the full MVA and plans to do serious studies between now and the next assessment period. I think you also show very clearly what I have long thought, including in my past lives before getting elected in 1990, the real flaw with the impact of speculation on the cost of land in Metro. I think that's something I'd like to see our government address further as well, between now and the next assessment period, because certainly what you pointed out is ludicrous. So thank you.

Mr Perruzza: Just to point something out, and ask a very, very brief question. I think everyone on all sides of the House would agree with you that our current property tax system is unfair in the way we do it. But we are on a market value system now, without the new stuff that's coming from Metro, so that people can technically, under the current system, appeal their taxes.

There's a mechanism in the legislation now based on value essentially. You can go argue now before the Assessment Review Board to have your taxes lowered to the same rate as your neighbours, if you're paying a higher rate. Technically, you could do it on a neighbourhood-by-neighbourhood basis if people organized. In fact you could do it across municipalities, technically now, if people went out and hired the lawyers and were educated enough, so that what would happen is there would be a net tax loss to Metro.

There's a net tax loss to Metro now ranging between $90 million and $100 million per year. But if people undertook this task next year en masse, Metro would lose hundreds of millions of dollars, if not billions of dollars, in next year's taxes, which would have to be made up through huge mill rate increases. You would be cranked up not 5% and 5% the following year, but you'd be cranked up to what you should be at in terms of our current system.

We didn't introduce this system. This system has been around since the early days of Confederation and even before and subsequently amended and changed by the former Conservatives. The Liberals really didn't touch it all that much, although they initiated the debate on market value. It's something that's been going on for the last 25 years. So there's that problem that's built into the system now, which needs to be corrected if we are to pursue any reform whatsoever.

In my view, some short-term pain will have to be felt by many of the citizens and residents in Metro in order to achieve long-term gain. I just wanted to know if you were aware of that, that people could actually appeal their taxes now.

Mr Vangraft: It would probably be advantageous if the citizens were informed of their new assessments formally. I had to dig at city hall to get the information I have here. For a taxation system that proposes to be introduced by January 1, it seems to me very undemocratic to have something imposed from on high, no formal notification of assessment. I never saw anybody around my house assessing my house, quite frankly, so how they established the figures, I haven't a clue.

Mr Perruzza: The Ministry of Revenue in fact brought in assessors from all over the province within the last two years to do precisely that, to re-evaluate the 1.5 million or 1.6 million properties across Metro. So they did do that.

Mr Vangraft: I still think that more information would be extremely helpful to everybody concerned.

The Chair: Thank you very much for having come before the committee this morning.

Ms Poole: Mr Chair, might I ask a question of clarification from the parliamentary assistant? Is it still the government's intention to allow Metro to go to full market value on homes at the point of sale?

Mr Mills: At the moment, there hasn't been any change in that policy, but that may well be some sort of consideration.

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JOSEPH TSENG

The Chair: Mr Joseph Tseng, please. Would you be good enough to introduce yourself for Hansard and then please go ahead with your presentation.

Mr Joseph Tseng: Good morning, Mr Chairman, members of the social development committee. I want to apologize for getting signals crossed.

The Chair: It's quite all right.

Mr Tseng: I'm the president of Goldhawk Community Association, Scarborough, and also a member of SHAFT. I've been campaigning for market value reassessment for the past seven years. I think there can be no fairer method of property taxes than market value assessment, because market value takes into consideration all of the factors, like square footage, accessibility and rental income.

During the MVA process, there was so much misinformation used by Toronto politicians. They turned a lot of Toronto residents into cannon fodder. A lot of intimidation tactics were deployed by those against MVA to the MVA supporters.

We do have a market value assessment system right now, but it's an outdated one. Who is the guy who put us in such a mess? The Metro politicians, because they have never wanted to take a proactive approach to update assessment during the past 35 years. Assessment values have not been kept current, which caused some old homes and commercials to have their assessments frozen as far back as 1940. I understand that some of the older homes have a 1920 market value. Newer properties have been assessed at the market value when they were built.

Now the Toronto politicians have to protect their own political interests, and they think their residents and businesses should not have to pay a fair share of the property tax. A lot of the owners have been getting market value for their property and rent, but they don't want market value assessment for their property taxes.

I am one of the 300,000 residential home owners in Metro who are supposed to benefit from the watered-down MVA proposal. Canada has always taken extraordinary steps to ensure equal treatment for its citizens, but I have not seen this from some members of Metro council. Do they care about fairness and equity? I hope your committee and your colleagues will show more sensitivity on fairness and equity.

It is time for politicians to realize the inequities in the current tax system. MVR is supposed to address it, making the system more fair and equitable. I've gone over the resolution in front of you. It will not make the system more fair and

equitable. Some home owners who have been enjoying a tax holiday will continue to do so.

Do not interpret the silence from the 300,000 home owners as a lack of resolve for a wise, fair and equitable property tax system. Perhaps, knowing the burden of unfair taxation which they have carried for many years, they are reluctant for others to have to go through the pain. Nevertheless, their compassion should not slow down the change. Fair is fair.

It is time for everybody to contribute their fair share of property tax. I urge you to adopt the resolution from Metro. It is something positive and it does show a token commitment to a fair and equitable property tax system.

The proposal will provide time for the businesses which are supposed to get a huge increase to become more competitive via different avenues, like sizing, improved internal efficiency, mindset etc. This proposal will not correct the existing unfair business competition which existed for the businesses in the suburbs and the new buildings in Toronto.

Another question is, do we need centralization of all the commercial and business in downtown Toronto? Decentralization is the way to go, and we are talking about telecommunications.

Another problem is the vicinity clause of the current provincial appeal in the Assessment Act. I live in Scarborough. I've tried avenues during the past few years to appeal my property tax. With the vicinity clause, it doesn't apply to both of us.

I need you, ladies and gentlemen, to show some leadership in this issue. The Premier wrote to the vice-president of the SHAFT association during the summer that the province will pass whatever Metro has adopted. If you don't adopt the resolution, you are forcing a lot of angry taxpayers to a tax revolt. Thank you for giving me the opportunity to appear in front of you.

The Chair: Thank you very much. I would just ask members to do their questions in a short form so we can get through; we're a bit rushed for time.

Mr Perruzza: I'd like to thank the representative here this morning. I wasn't going to ask any questions, because I agreed with 99.9% of the comments he made. Just on the appeal provision: In the act and the Assessment Review Board, I agree with you that the members of the boards don't have sweeping powers to interpret the appeals in the way I think you and I would like to see them. You understand that the courts do have that ability and that authority. If entire neighbourhoods actually challenged some of the provisions in the act, their chances for success would be very good in the courts. Do you think people across Metro are educated enough now to be able to organize around those lines and actually take some of the other parts of Metro to court and seek that kind of justice?

Mr Tseng: I think they've tried to appeal the whole community before.

Mr Perruzza: In the courts or before the Assessment Review Board?

Mr Tseng: The assessment board.

Mr Perruzza: But you understand that the courts and the Assessment Review Board are two separate things. While the Assessment Review Board has a very limited scope in which to award its decisions, the courts are substantially different.

Mr Tseng: I think our councillor, Bas Balkissoon, did appeal it to the court also.

Mr Perruzza: And what happened there?

Mr Tseng: The court rejected it.

Mr Perruzza: They appealed it on a community-wide basis?

Mr Tseng: On his own house assessment.

Mr Perruzza: Just one individual. Now I understand.

The Chair: Thank you very much for coming before the committee this morning. We appreciate it.

Mr Tseng: Thanks a lot.

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ONTARIO HYDRO

The Chair: I now call the representatives from Ontario Hydro, if they would be good enough to come forward. Please take your time to get organized. When you are, would you be good enough to introduce everyone for the purposes of Hansard. Welcome to the committee.

Mr Douglas Smith: Thank you. My name is Douglas Smith. I am acting vice-president of procurement and power system planning at Ontario Hydro. The gentlemen with me are Mike Sheehan and Sam Roberts. They are from the corporate real estate division of Ontario Hydro.

I'd like to thank the committee for giving us the opportunity to present our brief. It is very important to the customers of Ontario Hydro. We have prepared a formal brief, which runs to approximately 10 pages, which I believe is available to you. I propose to summarize the highlights of that brief and try to be short since you're running behind schedule. I would urge you to read our brief later to clarify any issues that I raise, and because I am just summarizing I may miss some key points.

To put our submission in context, I'd first like to say that Ontario Hydro does not object to the principles associated with reassessment and we do not object to paying a fair share of taxes in Metropolitan Toronto. However, we do oppose the specific plan that is proposed by Metro with respect to the impact of taxation on our transmission corridors.

As proposed, we have been advised by the Minister of Revenue that we face a potential increase in taxation of $60 million in 1993. We believe that either Metro Toronto or the government, before passing Bill 94, should examine this issue, and if there's no indication by Metropolitan Toronto that it is prepared to address our concerns, Bill 94 should be amended, and we have a proposal on that. As I go through my presentation, you will see that we feel that the change needs to be acted upon very quickly, because we will be assessed in January for this higher rate of taxation.

The second item I would like to put a perspective on is to explain how Ontario Hydro is taxed. We are exempt from municipal and school property taxes, as are federal and provincial bodies. However, recognizing that we have properties in various municipalities around the province, we pay grants in lieu of taxes to those municipalities. I don't really need to refer to the difference between grants in lieu and property

taxes any further than that, except to make the distinction that we are technically not subject to municipal and school property taxes. Other than that, essentially they operate the same way, and I'll explain.

We pay grants in lieu on our own rights of way, which essentially means transmission corridors, our administrative buildings, our generating stations, transformation buildings and any other owned lands that we have. In addition, we're assessed a business tax at a rate of 60% of our payments in lieu for realty tax. I'd like to point out that you've had submissions this week from the railways, and they are not subject to business tax. The second point I'd make about this is that we make payments to municipalities at the full commercial mill rate, including the school portion. Provincial bodies do not make payments on the school portion.

The key focus of my presentation today is on the effect of the taxation system on our rights of way. Basically, there are small impacts on the taxation issues for our other properties, but 99% of the $60-million estimate we have presented is due to the taxation on our rights of way. We believe that implementation of the Metro Toronto plan, as submitted, is not getting through to the principles of fairness and equity, particularly as it affects the customers of Ontario Hydro. Throughout my discussion, I'd like to stress that we're talking about our customers, because Ontario Hydro in fact is there to serve the customers of this province.

There are three issues with this program as it stands. The first is that the assessment method will continue to be based on the value of abutting properties. If you're not familiar with that, our rights of way in fact are taxed by looking at the value of the properties on either side of the right of way. There has been no reassessment of the value of our lands.

On top of that, Metro plans on introducing taxation on these lands for Ontario Hydro properties and the railway properties without any cap and with no phase-in. We believe this is inequitable to the customers of Ontario Hydro, because the abutting properties which are going to be used for the basis of determining our taxation will in fact receive capping and phase-in. The end result is that we will be paying taxes that are multiples of the rates of tax of the abutting properties by virtue of the fact that no capping is provided.

The final point I would make is, in spite of numerous statements by various government bodies that we are not going to full market value assessment, the plan as submitted, and the way it treats Ontario Hydro corridor lands, is in fact going to full market value assessment immediately.

What are the impacts on Hydro's customers? The first one relates to customer bills. We've been advised that the increase in cost could be $60 million. This is a 400% increase in the payments that we've been making to date.

You're all aware that customers in Ontario are not very happy with our rates these days, and in these economic times they have a right to feel that way. We are taking strong measures to try to reduce our costs and have announced that for 1993 alone we will be cutting our costs associated with operations and maintenance by $115 million. We expect to follow that up by a further $100-million cut in 1994. We've also announced that we will cut capital spending for the future by $7 billion, and we're looking at further cuts.

The $60-million increase in grants in lieu, or taxes, cannot be offset by further cuts, certainly not easily. If it can be offset, it can only be done on a temporary basis. In essence, the $60 million will get locked into our cost base for ever. Inevitably, this will impact on customer bills.

There's a further problem. We cannot isolate the costs of this item and charge them to the customers in the area that is affected. In other words, we can't take the $60 million which is due to the reassessment in Metro and direct it back to the municipalities that buy electricity from Ontario Hydro in the Toronto region. The impact will be spread across the entire province, from Kenora to Cornwall.

It will affect our industrial customers, and some of our customers are very large. I'm advised that one of our largest customers is also one of the largest customers of CN Rail. All of this impact occurs with a windfall revenue gain for Metropolitan Toronto, a $60-million increase in revenues at the expense of the customers of the rest of the province.

The final key impact I would like to raise is the impact on tenants who utilize our lands. We have for many years recognized that tying up these lands and not allowing them to be utilized for anything else is not appropriate. In some cases, we make land available free for park facilities etc, but we also rent parts of our land to a number of different businesses.

I believe there are 163 different businesses that currently rent land on our rights of way, including the TTC, GO Transit, various parking authorities in the city of Toronto, George Brown College and others. This tax increase will of necessity be passed along to those customers. Their rates will go up, and they will inevitably then pass them on to their customers. I see that the list I've made tends to be related to public services, so the costs of those public services are going to go up.

I hope my brief review has highlighted our major concerns with the Metro plan. We have heard comments by Metro officials that give us a strong feeling that they will not address our concerns about capping and phase-in at all. In fact their public statements say it's a provincial problem associated with the assessment methodology of the lands. We think it's both of those problems.

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We believe that we are ready for a tax increase in January if some change is not made to the Metro plan. Basically, we have two proposals to make to this committee. The first is that unless Metro provides appropriate assurances that in fact it will cap the rate of increase of taxation on Ontario Hydro rights of way, this committee should amend Bill 94 to introduce capping and phase-in provisions for Hydro rights of way in the same manner as the current plan is for commercial properties.

Our long-term proposal is that the provincial government initiate a study in conjunction with the representatives of various agencies and affected parties to look at the way right-of-way lands are assessed, both ours and the railway's. We believe the input of the Fair Tax Commission should be considered in this regard and that this should take place immediately.

I'll conclude. I'd like to stress that we do not object to paying a fair share of our taxes, but we do not believe the Metro plan, as currently constituted, is fair to our customers, particularly those customers outside of Toronto. We do

believe that the enactment of the recommendations we have submitted would in fact allow Metro to get on with its plan while being fair to the customers of Ontario Hydro. Those are our submissions.

The Chair: Thank you very much, both for your oral presentation and the longer one which you've left with the committee and also for your recommendations. We have some questions. We'll begin with Mr Elston.

Mr Murray J. Elston (Bruce): I have an interesting connection with Hydro because there is an MVA in Bruce county at the moment in which of course the local folks would like to be assured they had the same sort of fairness in terms of the dealings there as is obviously being considered in this context. I know some of the discussions that have occurred in the county. I also know about some of the issues around cost cutting and the issue of pass-through.

What I am concerned about in this relation is whether or not you've received any assurances at all from your acting chair, who is also Deputy Minister of Energy, that there are some discussions inside government to ensure that the effect of this tax increase, or prospective tax increase, will be dealt with fairly from the provincial interest and whether or not you've received any instructions or directions in that regard from Mr Davies.

Mr Smith: I think Mr Davies is carefully walking the line between his role as an acting chair and a deputy minister. So I have not received any advice from Mr Davies as to any government intentions on this bill.

Mr Elston: Yet this is a prospective increase in the cost to Hydro which is parallel that of the transfer of $65 million or at least almost equal to the $65 million that went to the northern heritage fund with respect to Elliot Lake. It also represents about half the cost of the settlement that went into the Kapuskasing matter.

As acting chair, this has a very huge potential, and in fact will affect the customers and perhaps affect the potential of rehab and maintenance work which has to be scheduled for some of the plants in which I have a direct interest. I want to declare that very up front here. These extra costs are going to get passed on and in fact probably drain away from maintenance activities, or potentially can drain away from the maintenance activities, that this corporation has to undertake to ensure low-cost power.

I think, from my point of view, it has to be made clear that is a significant effect on the institution, Hydro, and its mandate to produce power at cost, and in these very tough competitive times is maybe more devastating than any of the people who have considered this issue so far have considered at all.

I guess I have to ask the question now. I don't want to ask you to agree with that, because that would put you in an unfair position, but what effect, if any, do you foresee the $60-million potential cost having on the operations, both in terms of maintenance and rehab of physical plant and of continuing maintenance of your power cost production figures?

Mr Smith: It would be a complicated process. I think I tried to say that we obviously, because of the competitive situation and the size of our recent rate increases, will be compelled to try and buffer the impact of this cost change now in rates. However, it will get built in eventually because it is a new cost. Our challenge would be to try and keep costs under control while not having any critical services affected. But in the end we have two choices: We'll either have to cut the costs, which would make some impact on programs we currently have, or we'll have to pass the costs along in rates.

Mr Turnbull: Do you have any estimate as to what kind of increase to industry the cost of power would be as a result of this?

Mr Smith: In terms of a rate increase—

Mr Turnbull: Expressed maybe as a percentage.

Mr Smith: Yes, that's what I was going to do. The problem is that our revenue base is so large that it sounds trivial when you express it as a percentage. It's in the neighbourhood of 1%; somewhat under 1% plus tax.

Mr Turnbull: Do I understand you correctly that would be 1% spread right across the province?

Mr Smith: Yes, that's correct.

Mr Turnbull: I believe one of the great problems that we're having today is that while we used to enjoy a significant advantage in power costs to attract industry, we now have crept up to not having that same advantage today, so 1% is a significant increase.

Mr Smith: Yes, it's significant, particularly to customers where electricity is a large part of their bill, which is the industrial sector.

Mr Turnbull: Right, quite so. In respect to services, I know that with respect to the rail rights of way, they don't really receive any municipal services. In fact the example of the accident in Mississauga was that the cost of fire service and police service was actually charged back to the railway. Do you, for your rights of way, receive any municipal services at all?

Mr Smith: I would say virtually none, but I could defer to my expert.

Mr Sam Roberts: That's a good answer. Practically no service is required for our right-of-way properties.

Mr Turnbull: Notwithstanding the fact that you're getting no services, you are paying based upon the average of the adjacent property values.

Mr Smith: That's correct.

Mr Turnbull: Okay. There was something I didn't quite understand in your presentation. I thought you said that the increases do not reflect from actual reassessment.

Mr Smith: Yes. I guess my point is that the right-of-way lands of Ontario Hydro have never been assessed for market value.

Mr Turnbull: I see.

Mr Smith: The assumption is that it relates somehow to the value of the properties next to it. So while in fact all the properties in Metro have been reassessed in order to go to the new plan, our rights of way have not been assessed at all and never have been, yet we will see, particularly without capping, an increase of four or five times the tax rate.

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Mr Turnbull: Up until 1990 there was a special category that the rail rights of way were put into. That was cancelled. Did you have any such category? You've always been subject to this adjacent land—

Mr Smith: Since 1952, I believe.

Mr Roberts: Yes.

Mr Turnbull: Since the present assessment systems came in. Okay. Thank you very much.

The Chair: Thank you once again for your presentation. We appreciate you coming this morning.

Ms Poole: Mr Chair, just before the witnesses go, I had a point of clarification of a technical matter. I was just looking at section 241.14 of Bill 94, which is, I believe, the section that would have to be amended to address your problem, and it says, "'excluded unit' means a unit which is vacant land, a railway right of way or a pipeline or a unit in respect of which an area municipality is eligible to receive a payment in lieu of taxes."

When they talk about rights of way, they specifically say a railway right of way, so I presume your problem would be in reference to the unit in respect of which an area municipality is eligible to receive a payment in lieu of taxes. Is that correct?

Mr Roberts: Yes.

Mr Smith: That's correct.

Ms Poole: Then would this not only be the transportation corridors you talked about in the rights of way, but also, for instance, the Hydro building down on University?

Mr Smith: Yes.

Mr Roberts: Yes.

Ms Poole: So all Hydro properties would not be subject to the cap?

Mr Roberts: Exactly.

Mr Smith: That's correct.

Ms Poole: Okay. So you would need that whole thing eliminated in order to get your relief?

Mr Smith: Yes.

Ms Poole: Okay. Thank you.

The Chair: Thank you for that clarification and, again, thank you for coming before the committee.

Mr Smith: Thank you.

The Chair: Let me first ask, is Bob McMullen here?

UPPER YONGE VILLAGE BUSINESS ASSOCIATION

The Chair: We have one last witness here who was to have been part of the Upper Yonge Village presentation and I'm going to allow her to come forward and add her remarks, if she would do so and if she would be good enough to introduce herself.

Mrs Fotini Yaroshuk: Yes.

The Chair: This will be the last presentation before the lunch break.

Mrs Yaroshuk: Thank you. My name is Fotini Yaroshuk. I'm a merchant at Yonge and Eglinton. I have no notes to address you. I'd like to speak to you from the heart.

I'm not your average retailer. I occupy 1,200 square feet at Yonge and Eglinton. I'm not a retailer who walks into my store in the morning and open the doors for customers to come in. I work at night. I promote my business. I do fashion shows for fund-raisers. I do my own buying. I do my own shipping. I do my own supervision and management and I cannot cope with a 10% increase. It's impossible, physically and financially. I used to have four people working for me, plus myself. Now I'm down to one person and myself.

Is it possible for you to take care of my people joining the already long lineup of unemployment and welfare or is it best to scrap this 10% and go back to your desks and reassess this market value assessment more responsibly? I don't object to paying the tax. I'm a law-abiding citizen, but I want a fair tax at a fair time.

Prior to this, we woke up one morning faced with the news that we'll have a 400% increase in taxes. When we broke the news to the rest of the community, as Dianne pointed out, we papered up our windows. We would get calls from Bloor Street, from the Danforth and they said: "Poor you, we're sorry for you that you are faced with this tax increase. It does not affect us." People were misinformed. Your group of people tried to push this tax so fast and so quickly, there was no notice given to anyone. That is unfair. That is not democracy.

I listened to the gentleman previously speaking from Scarborough. He says this is fair and he thinks they are paying too much in taxes. Well, this is not true. I live in Scarborough. I have a beautiful home on the ravine by the lake and I pay $3,000 taxes a year. Now the same quality of home in the city will be paying $10,600. I've done my research.

I lease a building on Yonge Street from where I run my business. That particular building was bought in 1986 for $735,000. It was assessed in 1988 for $1.4 million. Where's the justice? Where's the value in today's market? There is an apartment on the second floor of the building that is unfinished and has been assessed $6,000 a year in taxes. If I were to lease that unfinished apartment, I would only bring in $6,000 in rent, if I were lucky. Where is the fairness? Where is the justice?

I also have a business in Scarborough where I pay taxes of $1,800 a year, and with the new system it's going to go down to $1,200. In Toronto my taxes are going to go from $4,000 a year to $12,000, and my Scarborough store brings me more money than my Yonge and Eglinton store. That's where the problem comes. People feel that if you retail in the city, you are picking money off the streets. I'm telling you, it's a tough go. It's not easy.

I do find this totally unfair. I'd like to see people to go back to their desks and do a fair study and run it as a business, not as a hobby boutique. You cannot run this tax system the way it is. I used to have a staff of 16 two years ago. Now I'm down to a staff of eight. If this goes through, I'm not going to be a tax collector for anybody. I'm going to close my stores. It doesn't pay for me to work so many hours a day to have to pay the taxes in these tough economic times, and if I'm lucky.

My conclusion to this matter is that we're law-abiding citizens. We're hardworking. We do not object to a tax—

don't get us wrong—but we'd like you to go back and do a precise, fair study and give us a fair tax at a fair time. This is an unfair tax at unfair times.

The Chair: Thank you. I think there's just one question, if I might. Mr Owens.

Mr Owens: It's okay.

The Chair: Thank you very much. Oh, I'm sorry. Ms Poole. Could we just keep it brief? We are running quite a bit behind.

Ms Poole: I'll keep it very brief.

Thank you for coming. You raised a point which has not been raised yet in the hearings. I'm getting a lot of calls in my office from people who have businesses in the area who say: "We live in the suburbs and I'm getting a decrease in my taxes in the suburbs," a decrease of $50 or $100. "I'm not unfairly taxed out there, but this tax on my city business is going to put me out of business. Please keep your decrease but don't give us this increase." I think you've really illustrated that very well, so thank you.

Mrs Yaroshuk: Thank you.

Mr Turnbull: Excuse me. Just one question. I think you raise a very, very important point, the fact that the apartment above your store will be paying more taxes than your house in Scarborough on a ravine. Could you possibly send a letter to this committee just documenting that? That would be very useful to us.

Mrs Yaroshuk: Not only can I send you a letter; I can take pictures to show that the apartment is unfinished. I wanted that apartment for an office. I was hoping my business would increase. I was hoping I'll employ more people and get them off your rolls for paying unemployment insurance, but I haven't had the money. So not only can I send you a letter; I can send you pictures to see how disastrous it is.

I'd like to know what criteria the assessor used to evaluate that property so highly. It's beyond perception. What you've done, people who are supporting this, is fantasy. It's not reality. You have to live on another planet to come here and propose these taxes. To wake up and see an increase in my Yonge Street store in taxes to $43,000—impossible.

Mr Turnbull: Thank you.

Mrs Yaroshuk: Fair tax. I want to pay a tax. I want to employ more people. I want fair tax, fair time. I'd like to see this scrapped. Go back to your desks and reassess it.

Mr Turnbull: Thank you very much.

Mrs Yaroshuk: I thank you.

The Chair: Thank you for your submission. If I could just say to the members of the committee, it is 12:20. We are scheduled to begin at 1 o'clock. I will make an executive decision that we'll begin again at 1:15. I just think it's important for people to have a bit of a break. So if we could, try to be back here at 1:15 sharp, because we do have a full afternoon.

The committee stands adjourned until 1:15.

The committee recessed at 1220.

AFTERNOON SITTING

The committee resumed at 1323.

KAY GARDNER

The Chair: I call the afternoon session of the standing committee on social development to order. We're meeting to discuss Bill 94, the Metropolitan Toronto Reassessment Statute Law Amendment Act, 1992. This afternoon we have a number of witnesses from the various councils. We're pleased to have as the first witness Kay Gardner. Welcome to the committee. Have some water.

Ms Kay Gardner: Yes. As a matter of fact, I have a sore throat, so if I take a breath and swallow some water once in a while, I hope you'll be patient with me.

The Chair: Fine. We have a copy of your submission, so please go ahead. I would just remind you that if you would like to have some questions, leave a little bit of time at the end.

Ms Gardner: I've made a few minor changes in the copy that you have, but I'm sure it will be more or less the same.

Mr Chairman and members of the committee, I'm here today to make an 11th-hour appeal to your good sense and your high regard for the future of the city of Toronto. I'm here to urge your committee to advise the government to reverse its position and to abandon Bill 94.

I appeal to the government, through your committee, to kill Metro's outrageous MVA tax scheme before it rips the very heart out of the city of Toronto, the economic force of the Metro community.

I am here to appeal to you on behalf of the 5,000 tenants in my ward who, if Bill 94 is enacted, will be forced to pay rent increases they cannot afford to pay, rent increases that cannot be justified on any grounds whatsoever.

I am here to appeal to you on behalf of the almost 9,000 home owners in my ward who, for no good reason at all, will be forced to pay tax increases they cannot afford and for which they will get nothing in return—nothing at all.

I am here to appeal to you on behalf of the 950 merchants in my ward who will be forced to pay even greater MVA tax increases than home owners and tenants; again, tax increases that will be unfair, unnecessary and unjustified. Already struggling to survive the recession, many of these small businesses will be forced into bankruptcy. Not only the owners, but their employees too, will lose their livelihoods.

No one, not even Mr Mazankowski, can collect taxes from people who have no income. Let us remember that it is ordinary people who are going to pay the price of MVA. It is they who will pay the $46-million tax increase to be imposed upon Toronto.

Here is a note I received from one of my elderly constituents: "I have lived in this house for 50 years almost and I'm 95 years old. It is my hope that I may spend the future years here. Should there be a new property tax plan, it would force me to give up my house." This man is among those who will pay the full 10% MVA tax increase on top of the mill rate increase that is inevitable.

Now, of course, Metro keeps telling us that this is not a tax increase, just a tax shift. I'm sure my elderly constituent will be relieved to know that his tax increase is not really a tax increase but only a tax shift. This reminds me of Mackenzie King who, were he the Metro chairman today, would undoubtedly say, "A tax increase if necessary, but not necessarily a tax increase."

Of course, it is not only the elderly home owners who will suffer hardship but many, many others.

A word about tenants: They are the hidden taxpayers. Even some tenants are not aware that they pay the property tax, because it is hidden in their rent. They do not even receive a yearly assessment notice. Few of them could tell you how much they pay in taxes. Indeed, tenants pay taxes at a far higher rate than do owners of single-family homes. The taxes on a rental apartment are paid at a rate that is 250% higher than the rate of a single-family home.

The present government has always posed as the tenants' best friend, but if it endorses Metro's plan it will impose rent increases on 117,000 tenants in Metropolitan Toronto. Remember, these MVA tax increases of as much as 10% will be on top of the usual mill rate increases and on top of the 4.9% automatic rent increase facing every tenant in 1993—increase on increase on increase.

No wonder an elderly woman who lives in my ward, who has seen rent skyrocket from $675 a month to $1,200 a month over seven years, has said to me: "I have lived too long. How can I go on paying and paying higher and higher rents? I am at my wit's end."

Home owners and tenants have been betrayed by Metro. For years, Metro constantly assured them they would pay no MVA tax increase for the first five years. They were also told that those entitled to the MVA decreases could get them in full from the very beginning. That promise has been broken too and the decreases to home owners and tenants are to be cut in half. But the sun will stand still, hell will freeze over and the Maple Leafs will win five Stanley Cups before a single tenant will see a penny of the rent reduction due to him or her.

Does the government not realize that by endorsing Metro's tax plan, it is actually increasing the cost of shelter for both home owners and tenants in the midst of a housing crisis and a recession?

A word or two about small business: How is it that any responsible politician could impose an extra 25% tax increase on small businesses at this time when so many are closing their doors? I really don't understand that.

A woman, who with her husband operates a mom-and-pop store on Eglinton Avenue West in my ward where I shop every Saturday, recently said to me: "Kay, we are just barely getting by. We work long hours, six days a week and make what amounts to just one living wage. If MVA goes through, we'll eventually have to close the door."

It is wicked to risk people's jobs in times like these, absolutely wicked.

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I appeal to the committee to realize that there is a crisis in the making, a crisis that the government can and should stop in its tracks. I appeal to you, Mr Chairman, on behalf of

thousands of home owners and tenants and merchants that I represent, to advise Premier Rae to consider the human consequences of Metro's unfair scheme, to realize the hardship it'll impose on home owners and tenants and on those who own small businesses. We cannot do this to the people we represent, people who are already frightened to death by the consequences of this recession.

The Chair: Thank you very much, Councillor Gardner. We'll move right to questioning.

Mr George Mammoliti (Yorkview): Very dramatic as usual, Ms Gardner, and I want to thank you for coming down, and more specifically thank you for talking about the tenants. That's the line of questioning I want to take the opportunity to ask you about. In terms of tenants and tenant increases, you mentioned that 117—

Ms Gardner: Yes, 117,000 in Metropolitan Toronto.

Mr Mammoliti: You didn't mention, however, that 200,000 of the 350,000 units in Metro will receive a decrease. That's something you neglected to mention in terms of rental units. The other thing is, you know that recently the government passed some provisions that would protect tenants from further increases. Landlords, after applying, can only increase rent 3% at a maximum. I'm sure that after all this is over, some landlords will decide to apply for extraordinary costs. But even if they do, in your opinion, how much of those rents will be increased and by how much?

Ms Gardner: I'm glad you asked me that question, because you suggest that I neglected to mention the number who will get a decrease. I have discussed this with our economic committee at city hall about tenant decreases and I'm told that it would cost Metro $6 million to put in a system to offer decreases to the tenants, which neither government is willing to pick up at the moment. So it just looks like the tenants will get the short stick all the time.

I have been a tenant for 31 years and I have worked as a tenant organizer for 17 years. I have never seen one tenant yet get a decrease from any government or any landlord, so I'm waiting. I still have a few years left in my life. I'm still waiting and hopeful that I will see this miracle happen.

Mr Mammoliti: Is my time finished?

The Chair: You can have a short supplementary.

Mr Mammoliti: My supplementary would be that we share the same concerns and I hope it doesn't take five Stanley Cups before tenants receive a decrease. I'm hoping that our government will be the government that will determine that. I'll be a little disappointed if we're not. I'll be quite honest with you.

Ms Gardner: I'm afraid you'll be disappointed for a long time.

Mr Mammoliti: I guess the supplementary then is, give me an average in terms of, if landlords decide to take advantage of the extraordinary cost provision in the legislation, what would be the average increase for those 117,000 tenants? What's the average increase for them, in your opinion? I broke it down, and my average is 1%.

Ms Gardner: A landlord is allowed to charge 4.9% for 1993. He can also ask for an additional 3% on top of that for renovations and extraordinary costs. Depending on what the taxes were for 1992, he could possibly get another 2% on top of that. I don't really know.

Mr Mammoliti: No, not in my opinion.

Ms Gardner: Well, that's only your opinion.

The Chair: If I might, we have a difference of opinion here, and because of time I'm going to have to move on to Ms Poole.

Ms Poole: Welcome to our committee, Kay. I'd like to follow up on the question about whether tenants will be protected under Bill 94. One of the claims made by the government during the Rent Control Act was that it was going to put in a provision so rent decreases could automatically be passed through to tenants if there was a reassessment. Well, lo and behold, what Bill 94 does is delete section 113 of the Rent Control Act and put in a new section.

This comes back to the problem you were talking about with the battle between Metro and the province as to who's going to pay for it. This NDP government that says it protects tenants has put in a section which says, "the council may file a resolution with the [rent] registrar requesting a decrease in the maximum rent in the affected rental units"; in other words, it would automatically happen and the registrar would notify the tenants. But this is the catch: "However, a resolution may not be filed by the municipal council until an agreement has been entered into with the province." Then you look to see what you have to do to enter into this agreement, and it says that the municipality has to make an agreement with the province as to the costs that will be paid by the municipality.

What is happening is that this NDP government, which claims to protect tenants, is now saying to Metro: "You pay for it. You pay the $6 million, or we're not going to allow the automatic decreases to tenants." Is that your understanding of this situation?

Ms Gardner: That's my understanding. That's what I've been told, yes.

Ms Poole: I concur. I think that's absolutely despicable, to slide that in and then imply that they are going to help tenants.

Ms Gardner: Yes. That seems correct.

Mr Chris Stockwell (Etobicoke West): Over the years, having sat on council with Councillor Gardner, I learned long ago, through speeches and questions, that we have a fundamental disagreement on market value assessment. Likely, it's better if I simply say thank you for coming and I appreciate your comments.

Ms Gardner: Thank you very much. Nice to see you again.

The Chair: I hope that last exchange is indicative of the harmony which will reign in the committee this afternoon. Thank you very much for coming this afternoon.

Ms Gardner: Thank you, Mr Chairman.

ROB MAXWELL

The Chair: I call our next witness, Mr Rob Maxwell. Welcome to the committee. We have your submission, Mr Maxwell, if the clerk will pass it out. Please go ahead.

Mr Rob Maxwell: I have to say I never thought I would see Chris Stockwell mellowing.

My comments will be quite brief. Thank you for having me here today. I think you have probably heard most of the arguments that can possibly be made both in favour and against this proposal, so I'll try not to repeat them. What I want to talk about specifically is my own particular constituency and why the people, the residents and businesses, are so very strongly opposed to market value assessment in my ward.

I represent ward 11, which is in the west end of the city of Toronto. My ward overlaps with parts of the provincial ridings of Dovercourt and High Park. The west end of the city has traditionally been an immigrant settlement area, and my ward is no different from other west end wards in that respect. My constituency is home to a large number of new Canadians. Most of them make their living in jobs in the construction, manufacturing and service sectors. Although the median income in my ward is substantially lower than the rest of the city and Metro, there is a higher than average rate of home ownership.

We also have in my ward what I believe to be a very unique balance of residential, commercial and industrial uses, and while each of these areas is suffering in the current recession, they are hanging in, and I hope will be still in place when the recession ends.

One example is the American-Standard plant. It's located in my ward, at the corner of Dupont Street and Lansdowne Avenue. It employs several hundred people, many of whom live in the neighbourhood. Recently, the company decided to relocate its distribution facilities from Etobicoke back into the city. Its neighbouring plant, which manufactures electrical lighting equipment, has also recently expanded its operations, and just to the south of there, the Rowntree Mackintosh plant reversed a decision it had made a couple of years back to move to Belleville, I believe it was, and instead has reinvested significant amounts of capital in its existing plant.

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My ward is also home to six business improvement areas that I believe many of you are familiar with, and that's more than any other ward in Toronto. The merchants who run these small and medium-sized businesses provide both goods and services and a wide range of employment opportunities for people in Toronto. They work long hours and are traditionally very independent-minded. For them to come together as part of a protest movement is quite extraordinary, but that is exactly what has happened on this issue. What was once a relatively quiet group of people has closed down several main streets in Toronto over the past few months and has become a very potent political force that has to be dealt with.

These main streets where the merchants do business are a very fundamental feature of the success of Toronto as a city. They are places where people meet, eat and drink, shop, exchange information and all the other things that cities are about. They are very vital lifelines which connect one part of the city to the next. In a sense they're canaries in a coalmine in urban life: They act as an indicator of how things are going both socially and economically in cities, and as our main streets go, so go the neighbourhoods that surround them.

You cannot make significant changes which upset that balance that exists between those three uses—residential, industrial and commercial—in communities such as mine without affecting each of the other parts of the equation. Despite the fact that we have been able to convince Metro to amend its original plan so that commercial increases will be capped, this MVA scheme will do very serious damage to the commercial side of the urban triangle.

As our Mayor Rowlands explained to you earlier this week, thousands of small businesses in Metro will experience approximately a 30% tax increase by January 1994, 10% in each of the two years because of market value assessment and about 5% per year in mill rate hikes. In fact, the increase will be felt by those businesses within about a seven-month period, because the 1993 MVA increases will not be put into effect until the final tax bills go out in May.

I'd like to urge members of this committee, and I would invite you, to come to my ward to see neighbourhoods like the Bloor-Lansdowne area, which has been subjected to enormous problems in the past few years. We are at risk of experiencing the kind of urban blight that plagues so many other North American cities. That would have been inconceivable not too many years ago, but today it's a very real threat.

I'd like to close by making two comments. The first is that the city of Toronto feels the same way about this MVA proposal as the province feels about being left out of the federal government's recent capital spending announcements. If you can try to understand the city of Toronto's reaction to this issue from that mindset, I think that would give you some insight into the issue.

It's unfortunate there are no government members here.

Mr Stockwell: Gord Mills is.

Mr Maxwell: Oh, my apologies. I thought they were all lined up on that side.

The second comment is that the argument that the province has to keep its hands off Metro's scheme is simply an untenable position. If you carried the minister's argument to its logical conclusion, you would have to abolish the OMB, you would have included municipalities in recent constitutional debates and I think ultimately you would have to respect the city of Toronto's request to be allowed to secede from Metro. The fact of the matter is that the provincial government has both the right and the responsibility to review Metro's request and to amend it as it sees fit, and I hope you will do so.

The Chair: Thank you very much. I'm almost tempted by the idea of abolishing the OMB. No, I shouldn't say that. I'm impartial and in the chair. Ms Poole.

Ms Poole: If my very own Metro councillor wasn't sitting in the room, I might say something about abolishing Metro, but I don't want to say that in front of my friend.

Mr Maxwell: If I can clarify, I wasn't arguing that we should do any of those things. I'm merely saying that if you extend the logic that is presented by the government on this matter—

The Chair: The Chair's tongue got caught in his cheek. I apologize for that.

Ms Poole: Actually, that is the point I want to address. The government has said it does not have a responsibility in this regard, that it automatically has to give Metro the enabling legislation. It's a very Pontius Pilate attitude: "I'm going to wash my hands of it."

It would seem to me, to carry your analogy a step further, that if the provincial government truly believes that municipalities should have this type of autonomy, when the city of Toronto made a request that the Toronto Atmospheric Fund bill be passed and passed quickly—and all this bill would do is allow the city of Toronto to set up a fund and a joint venture with private companies to do environmental initiatives having to do with the atmosphere; a very laudable aim—then instead of putting roadblocks in the way, the provincial government should have said: "Yes, the city of Toronto is an autonomous municipality, a municipality of 635,000 people. We respect your right to make your own decisions. Therefore, you've asked for this legislation; it's yours."

Is that your understanding of how it should work under the new rules of the game, if these are the new rules of the game?

Mr Maxwell: Yes. The point I was trying to make is that you either have to adopt a hands-off attitude and say you're going to respect all the decisions and requests of municipalities, or you don't. The act permits the provincial government to adopt requests for what used to be section 63 updates; I think it's section 64 now.

Ms Poole: Section 58. Just so you know—this is very important; you don't want to mistake this—apparently, I've been told, the new section 63 is full market value, which really confuses everybody.

Mr Maxwell: The point being, however, that the municipality makes the request, and the government then has an option, the government has a choice. As you said, they can't wash their hands and say, "We're not involved in this decision." They very clearly are.

Metro's proposal is unlike any reassessment proposal that has ever been put before any government in this province. I don't have the bill before me, but it's very many pages of legislative amendments that are being required to be made.

Ms Poole: There are two other short questions.

The Chair: Did you say one other short question?

Ms Poole: I'm sure I did. If you want me to say one other short question—

The Chair: It might have two parts.

Ms Poole: My other short question with potentially as many as two parts: You've made a couple of statements in your brief and in your remarks right now. One is that you have called this throughout an MVA proposal. Yet the minister and the parliamentary assistant have said very clearly—and in fact it's on Hansard, the words of the parliamentary assistant—"This is not an MVA plan." I just wondered if you'd explain that and also—see what you did, Mr Chair? I forgot my part 2. I guess that's my question until I think of part 2.

Mr Maxwell: You can think of part 2 while I'm trying to respond to part 1. Run it by me again; sorry, I'm trying to think of my answer to the question.

Ms Poole: Both the minister and the parliamentary assistant are saying this is not an MVA plan.

Mr Maxwell: Yes, okay. The request is being dealt with under the Assessment Act, as I understand it. It's been difficult in some ways to deal with this from, in a sense, an opposition viewpoint, because certain members of Metro council call this a market value assessment plan; others call it an interim assessment plan. It's whatever the speaker at the time chooses to characterize it as. But I think legislatively it is being treated and dealt with under the provisions of the Assessment Act. That's my understanding of how it is being dealt with.

And clearly the data that are being used to implement this, even if we are not going to full MVA in certain classes of property—although we are going to full MVA in one—are MVA data, a 1988 update that was conducted by the Ministry of Revenue.

Ms Poole: So it is an MVA plan. The other part of my one question was that you made the comment that they're giving Metro power for a plan that is unlike anything else that's ever been done in the province. The government is arguing to the contrary, and the minister's been quoted on numerous occasions as saying, "We're just giving Metro the same power every other municipality has." Could you comment on that?

Mr Maxwell: Well, that's not my understanding, Ms Poole. My understanding is that in virtually every other municipality that has requested some kind of market value assessment update, it has been straightforward, under either the old section 63 or the old section 70, or whatever the section numbers are.

There have been a couple of very minor exceptions, one being Ottawa-Carleton. I understand there were some very minor changes allowed. But to do a reassessment of this nature where you have one category being allowed to go to 100% market value and other categories going to various other levels of market value assessment has, in my understanding, not been done in this province before.

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Mr Mills: Mr Maxwell, thank you very much for coming here this afternoon. On behalf of the government members, I extend that feeling.

You've identified the problem of a tax shift on tenants, on owners of singles and on small business. In tax reforms, there are going to be shifts to correct historical unfairness. To me, that begs the question, in your opinion, of who should bear the burden of the shifts.

Mr Maxwell: I think that begs the fundamental question. You used the term "fair." I think we have to try to define what fair taxation is. This government has, to the very loud applause of many of us, established a Fair Tax Commission to answer questions like that. It is our understanding that the report of the Property Tax Working Group of the Fair Tax Commission is about to be released. I think it would not have been unreasonable to defer a decision on Metro's proposal and review it in the context of what your government's Fair Tax Commission is going to come forward with.

My understanding is that Metro in fact asked for comment from the Fair Tax Commission on its proposal. The Fair Tax Commission was very critical of the kinds of proposals that Metro was to do, among them having varying caps on different categories of property.

Two things: If Metro has asked the question, I think it has to listen to the answer to the question it asked, and if the

government has established a commission to deal with the very issues that have been dealt with in the past week in this room, it is incumbent on it to listen to the advice the commission will be bringing forward.

The timing is such that there would not be any need to delay the implementation of Metro's plan should it be judged, at the end of the day, to be a sound plan. In fact Metro's plan will not hit the streets—if I can use that expression, as I made in comments in my notes—until May, although it needs to be passed as of January 1. For tax bill purposes, at least in the city of Toronto, people will not feel it until the final tax bill. We cannot do the kinds of things we have to do with our computer systems etc to have the system up and running.

I think that affords us an opportunity to have some discussion of the broader issue of what is a fair tax. One thing that just about anyone can agree with is that property taxes are not particularly fair taxes, and I think we have to challenge the wisdom of basing municipal revenues primarily on property taxation.

Mr Stockwell: Obviously, I think you're not correct. That's no big secret.

Mr Maxwell: Not politically correct?

Mr Stockwell: No, you're politically correct. I'm sure you're politically correct.

But it begs the question, as you suggested to the question from Mr Mills: You've had 40-odd years to come up with a different system. At times in the mid-1980s I've been on council when we've begged you for that different system so we may analyse that different system. I sat on councils with the previous witness—and not necessarily yourself but certainly other members from the city of Toronto; in fact you work for some of them—and I begged them to come forward with a different system. It has just never taken place.

It seems to the constituents I represent that this "Let's wait for the Fair Tax Commission" is just another in a long line of deferrals for the sake of deferral. The question I put to you is, if the Fair Tax Commission comes out and says, "Yes, there's a lot of options, but the fairest process is market value assessment," is that going to change one vote of one person on your council?

Mr Maxwell: I can tell you about one vote on council and that's my vote. I think that basing taxation on the value of property is fundamentally wrong, particularly in a large urban market like Toronto's, like Metro's, and for a number of other reasons. But I think that there are many other ways of doing it.

You said that you asked when you were on Metro council for an alternative and it is not correct for you to say that there was not an alternative presented. The city of Toronto, along with the city of North York, spent a great deal of time roughing out the idea, and it was not, I will admit, a detailed plan, but roughing out the idea of what we called a unit assessment system.

Mr Stockwell: It wasn't supported by one of the authors. North York council in fact turned it down.

Mr Maxwell: It depends on which council you're talking about. At one time—

Mr Stockwell: The most recent council.

Mr Maxwell: Yes, the council of the day did support it, though, when the idea was proposed.

Mr Stockwell: Okay. Quickly—

Mr Maxwell: However, if I can, I'm not pretending for a moment that the unit assessment system is a definitive system. The city of Toronto requested the government of the day to provide us with data and with information that we could have used to flesh the idea out and we were not provided it.

Mr Stockwell: Quickly, one last one. Predominantly the Fair Tax Commission is made up of left-wing, social-leaning—

Mr Maxwell: Politically correct.

Mr Stockwell: —politically correct people, yes.

Mr Maxwell: I don't know that. That's your opinion.

Mr Stockwell: No, I sat through it.

Mr Maxwell: I don't know who the members—

Mr Stockwell: I think even the most jaundiced of you would agree that they'd be less than right-wingers. Let's put it that way.

What if we get this report back and they say, "Look, we've looked at this and we've examined it six ways from Sunday," like the minimum capital corporate tax, and that was the plank of this government. They campaigned on it. Suddenly the Fair Tax Commission reported back and said: "Gee, you know all those years we've been saying these corporate bigwigs have been ripping us off? Well, it ain't true." What if they come back and say, "Gee, we looked at it and we can't find a better system"?

Can I then assume from that, since this is what the city of Toronto seems to be hanging its hat on now, waiting for the Fair Tax Commission to come back, that we can move forward and go ahead with this reassessment plan? Because I get the distinct impression that it's just another reason so we can defer this, so we can maintain the status quo.

Mr Maxwell: No. With respect, Mr Stockwell, that's not correct. It's certainly not my position. Other members of council would have to speak for themselves. I do not like the current assessment system in Toronto. I at one point in my life spent many, many weeks at the Assessment Review Board when the then Conservative government was attempting to implement what we called market value by the back door, which was assessors driving around town and if you had new windows put on your house your assessment went up 200%. So, no, I'm not happy with the status quo.

I've not argued that we would abide by any decision of the Fair Tax Commission. I'm saying that the Fair Tax Commission has been put together with a mandate to come forward with advice to the government and the government owes it to itself and to the people of the province to listen to the advice of the commission that it has established. We can't stop—

The Chair: I'm sorry, Mr Maxwell, I'm afraid we're really caught for time this afternoon with a long list of questioners. I think your position is clear and we appreciate your coming before the committee this afternoon.

MICHAEL WALKER

The Chair: I c all on the next witness, Michael Walker, please. Welcome to the committee, Mr Walker.

Mr Michael Walker: Thank you very much.

The Chair: Please go ahead when you're ready.

Mr Walker: Before I start, I'd like to invite you all—Mr Stockwell and Mr Elston—I'd like to invite all of you to a rally that the city's holding up here on market value assessment next Wednesday. You're all invited to come out to it. Let me give you a flyer.

Mr Stockwell: Thanks a lot, Michael.

Mr Walker: It's at high noon.

Mr Stockwell: I'll do my best.

Mr Walker: Mr Chair and members of the committee, it's an absolute truth to the already overburdened Canadian taxpayer that all politicians are cut from the identical cloth because every politician at every level of government emits exactly the same heartfelt cry of "Jobs, jobs and jobs," while actually doing nothing but tax more, tax more and tax more.

Why is it that every government elected by we the people can never grasp what really has to be done, and that is spend less, spend less and spend less? It doesn't take even a primary school education to know that if you spend more than you earn, you'll end up buried in debt. So it is with this mendacious conjuring trick called market value assessment.

Let's cut straight to the heart of the matter. Who is it good for, who is it bad for and what's the point? The first answer: It's a terrific idea for a bumbling, overgrown dinosaur of a Metro government, munching its lustful way across what it sees as a property and tax-rich Toronto. The second answer: It's an insane and reprehensible scheme to squeeze millions of additional tax dollars from small businesses, home owners and tenants who are desperately struggling to survive the most devastating economic depression since the 1930s. The third answer: The point is, nobody seems to know what the point is.

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In the next couple of minutes, I'll attempt to bring it all down to a singular, sharp focus. No one needs to lecture an inept and befuddled provincial government on the terrifying effects of pie-in-the-sky social engineering, but if the groaning taxpayers could speak directly to Premier Rae, they would vigorously agree that he who pays the piper calls the tune. If those same taxpayers could reach out to touch the cloaks of the despotic political dinosaurs at Metro government, then their grim-faced message would be, "We know your names, we know your faces, and on election day, we know where you live."

As to the final question, what's behind all this market value assessment lunacy, I can only tell you what I have learned since 1986 when I, along with Councillor Kay Gardner, led the fight against it here in the city of Toronto.

Yes, Toronto is the jewel in the Metro government crown, providing $60 billion a year of economic muscle which guarantees the solid foundations of our entire Metro lifestyle. Yes, the nearly 700,000 population of Toronto delivers hundreds of millions in tax dollars which are spread all over Metro to pay everybody else's school costs, as one example. And yes, I am not the only one who thinks Metro government is completely out of its mind with this proposed market value assessment tax heist.

Jane Jacobs, the most revered and respected urban planner in North America, who chose, by the way, to live in Toronto, calls market value assessment a "nutty idea." She also describes the Metro bureaucrats who came up with the scheme as "incompetent, ignorant and foolish." She could easily have included their political masters in that absolutely accurate definition as well.

Even Canada's national newspaper, the Globe and Mail, portrays market value assessment as "dumb and destructive," and equally, both as mad and irresponsible "as was the Spadina Expressway scheme of the 1970s."

The challenge I throw to the NDP government of Ontario is this: Are those the attributes you wish to have alongside your names in the history books when they describe the direction of urban government in the Ontario of the 1990s? I would think not and I would hope not. Thank you very much.

The Chair: Thank you very much, Mr Walker, for your presentation. A quick reflective thought from Mr Stockwell.

Mr Stockwell: I don't mind hearing deputations that are reasonable and factually sound. I think Kay Gardner, the previous deputant, was fairminded and she offered her opinion. I say the same about Mr Maxwell. This belongs in the garbage. It's based on unfactual documentation. I can fully understand why Mr Walker takes this position, but to pass this off as a deputation is insulting to both his constituents and the people of the province of Ontario.

Mr Walker: I don't agree with you at all.

Mr Stockwell: I'm not surprised.

Mr Walker: You've blindsided the issue, and it's that blindsidedness and that lack of response which Jane Jacobs summed up.

Mr Stockwell: Despotic, sir. That's beneath even you, and not much is beneath you.

Mr Walker: That's my opinion.

The Chair: Order, please. We have a difference of opinion here and I think we just accept that. Ms Poole, did you have a short question?

Ms Poole: Now for a friendly question. Mr Walker, you've been fighting against market value for many years and you're very aware of the facts behind this. Yesterday, we had a presenter from Scarborough who held up the city of Toronto's full-page ads and called them lies; for instance, the one on tenants that said 117,000 tenants would get hit with increases because of market value.

Mr Walker: Yes.

Ms Poole: My experience with the city of Toronto is that the information it has provided has always been truthful and accurate. I'm not talking just about this particular thing, but I'm talking about whatever I've asked them for. Have you received complaints that these ads are misleading? For instance, can you set the record straight on the one on tenants?

Mr Walker: The record is that the city, after demanding it through the freedom of information act because it was refused by Metro, is the only municipality that got all the facts. It's difficult to make decisions without the facts. The other municipalities in Metro were making decisions without the facts and denying it to their Metro councillors. We do have the facts, we analysed them and they speak for themselves.

Over 117,000 tenants will be getting increases up to 10%: 5% and 5% in the next two years. The landlords will be getting it and they have the vehicle for passing it on to the tenants now. Over 74,000 of those tenants will be getting increases to the full 10%. Some of those have remaining increases over and above that, but there's a cap.

I say to you that those are the facts. They stand for themselves. They're the provincial government tapes that they provided to Metro, which Metro stonewalled over for over six weeks to the city of Toronto.

Interjection.

Mr Walker: Well, we were going to go to court if we had to. I stand by them 100%.

The Chair: Thank you very much for coming, for your presentation and for answering questions.

ANNE JOHNSTON
OLIVIA CHOW

The Chair: I now call on Anne Johnston, please.

Ms Anne Johnston: I've brought Councillor Olivia Chow with me.

The Chair: Fine.

Ms Johnston: I'm going to speak, and we're both available then for questions. I'll do it as fast as I can.

The Chair: Double double.

Ms Johnston: Good.

Interjection: And trouble.

Ms Johnston: We thought we could cover at least the NDP and the Liberals and Chris Stockwell.

Twenty years ago today, I was elected by a wave of public opinion to what became known as the reform council, because Torontonians did not like the way the city of Toronto was being run by city and Metro officials.

One of the big issues of the day was the Spadina Expressway. I was delighted when the Premier of the province stepped in and stopped it. I'm here today, 20 years later, to beseech you to intervene once again and stop MVA, which will have a far more devastating impact on my city than any of the old ogres of 20 years ago.

Never in my 20 years as a politician have I encountered such an outcry. In both of the public meetings that were held at Metro, people stayed up all night for their chance to speak. The humiliation they must have felt as they related their circumstances had to be experienced in order to appreciate how damaging this plan would be for the city of Toronto.

During and following these meetings, the plan changed considerably. In fact, it seemed to change weekly if not daily in response to the outcry from small businesses, the arts community, United Way agencies and other groups that were particularly damaged by the initial proposal. But it also changed as a result of numerous oversights and errors on the part of Metro staff, who in trying to meet the rigid deadlines for passage of the proposal, did not adequately verify their work.

What is truly incredible about this proposal is the haste with which it was advanced, and I might say, the haste with which you're considering it. In the space of less than two months after the tax impact of the assessment data had been compiled by staff, the final resolution was passed by council.

It might surprise you, but Metro Toronto has no idea what the MVA impact would be on our agencies, boards and commissions and the various departments under its jurisdiction. We're only now finding out that the impact on the beleaguered TTC would be an additional cost of $2.5 million. Staff elsewhere have not yet been asked to report out to council on the impact Metro-wide.

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No economic impact study was done. In fact, the chairman and the CAO were completely taken by surprise by the fact that under this proposal small businesses would, in many cases, be hit by property tax increases in excess of 400%.

In my ward alone—the two wards you've just heard from, wards 15 and 16 for the city—over 2,000 business properties would be assessed with a tax increase, over half of which would be in excess of 100%. A survey of 351 stores on Yonge Street between Eglinton and Lawrence indicated that 40% of the existing jobs would be lost and over one third of the stores would be likely to close.

Metro made no attempt to inform people about what was happening to them except, I suspect, big business, whose previous concerns miraculously disappeared. This sudden change of fortune was characterized as the "big lie" last September by Chairman Tonks. But if it wasn't big business, then who wants to bear the change in tax burden?

I was shocked when I realized what the impact would be on small retail businesses. I met almost daily with business people who normally don't get involved and showed them the proposed tax rolls. I did not have to whip up their opposition; it was spontaneous combustion. Normally busy, working people were goaded into civil disobedience. The result was the demonstrations on Yonge Street, Eglinton, Bayview and elsewhere. Through their store windows, they informed the residential taxpayers about what was happening. They also were shocked.

The resulting caps of 10%, 10% and 5% on commercial increases are no more acceptable than the initial devastating blow. This is a slow death rather than a quick one. Coupled with the inevitable annual increases in the mill rate, the accelerated loss of assessment base due to store closures and the hidden costs of MVA in increased transit, hydro and parking costs, the new proposal is as destructive to retail merchants as the old one.

Mayor Trimmer, in her remarks, talked of the pending tax revolt among her Scarborough residents. On Tuesday, you heard from the Business Survivors Association, a recently organized group that has its origins in my ward. It would appear that the tax revolt is inevitable no matter what happens, a testament to the disastrous manner in which this issue has been handled by the MVA proponents.

I don't think the province should feel shy or coy about intervening in Metro Toronto affairs on this issue. The fact is that you do it all the time. Under the Municipal Act you have the authority to go in and take over from a municipality that's not operating effectively.

You mustn't lose sight of the fact that the city of Toronto is the heart of Metro and that Metro is the hub of the provincial economy. What's bad for the city of Toronto will have

repercussions throughout the province. In my view, especially considering the NDP—and I'm sad to see that so few of its members are here—campaigned against MVA in the last election, the government has a moral obligation to intervene. You intervened in the preservation of the Toronto Islands community and you were right. You intervened in our solid waste management plan. We will see who was right, but the precedent is clear.

Market value assessment is a provincial responsibility. Metro's hands were tied in designing a fair taxation system because of the guidelines for market value assessment dictated by the province. It was repeatedly thrown in our faces that the legislation does not offer a unit value option and therefore that option was not explored more fully. Furthermore, the province did directly intervene in 1989 by requiring Metro to use 1988 as the base year for reassessment rather than 1984. Try explaining that little change to disaffected ratepayers.

Mr Cooke is reluctant to call this a market value plan. Make no mistake about it: The proponents of MVA want full MVA and see this as a step in that direction.

In Chairman Tonks's remarks to you on Monday, he indicated, "Metropolitan Toronto has proceeded very carefully to inch towards the implementation of a market based system." Mayor Trimmer very clearly stated she would "prefer to see market value in one fell swoop." Inching or swooping, they're going towards market value.

The proposal before you may not be a pure MVA system, but the time-of-sale provision for residential properties with one or two units would take this property class to full MVA at an alarming rate. It's also full MVA for vacant land, rail rights of ways, hydro corridors and properties paying grants in lieu of taxes.

The provision dealing with time of sale is particularly unfair given the base year of 1988 on which the proposed taxes are based. Proponents of MVA argue that the base year is irrelevant since taxes are based on relative, not absolute assessed values. This would be true if all properties went up and down according to the market at the same time. In this case, the evidence clearly shows otherwise.

I conducted a study of just under 100 properties which sold in the month of October in the cities of Etobicoke, Scarborough and Toronto and compared the resale value of the homes to their listed market value assessments. I'd like you to correct the brief here. It says all of the properties sold between—it should say $150,000 to $300,000. That's an error.

My research, which is appended, shows that in the city of Toronto, and particularly my ward of North Toronto, the average property has declined some 34% when compared to its listed 1988 market value. In contrast, in the city of Etobicoke, properties only decreased by 13% and in the city of Scarborough by only 7%. I think they're in your ward; they're listed as addresses, Chris.

It would be grossly unfair to make a new home owner pay taxes using full market value based on the inflationary and speculative realty prices of 1988. At the very least, I would urge you to support an amendment not to allow Metro to pass a bylaw imposing the time-of-sale provision.

The plan before you today does not represent a compromise solution to property tax reform. It's a watered-down, half-baked scheme put forward by proponents to make it easier for them to implement. Every member of council representing a city of Toronto ward as well as those representing wards on the periphery of the city voted against the plan and every amendment that created it. The plan, in its current form, is no more acceptable now than it was in its initial form.

Mr Cooke has also now conceded that the plan makes a mockery of the assessment appeals process and effectively takes away the right to appeal one's property tax assessment.

Furthermore, the plan flies in the face of the strategic goals, planning objectives of Metro council as well as the GTA initiatives. I probably cannot quote. Am I getting close to my time? I have a few more minutes.

The Chair: Keep storming along.

Ms Johnston: Keep storming along. Shaping Growth in the GTA—it's your coordinating committee—says:

"Municipal taxation is an important lever at the disposal of municipalities. At the very least, municipal taxation must be made to be consistent with compact urban form, if not proactively supportive of it. At present, industrial and commercial property taxes in inner areas are high compared with peripheral areas. This has been an important form of force in peripherilization"—a nice new word there—"and the growth of low density, land consumptive development. Taxation policy must be supportive of compact urban form."

Likewise, Metro's draft official plan, The Livable Metropolis, at page 10 states:

"It is the policy of council:

"To support GTA initiatives that discourage the expansion of the urban envelope and thereby encourage the effective use of lands already committed to urban development; and

"To encourage future development to take place in an intensified urban form and at increasing densities."

I raise these concerns because it seems clear to those of us from the city of Toronto that one of the major problems associated with MVA is that it encourages urban sprawl at the expense of more dense developments. From the attached appendix, you can see that the city of Toronto has a population density of nearly three times that of the cities of Scarborough or Etobicoke. Toronto houses some 6,000 people per square kilometre compared to 2,300 and 2,500 persons respectively. At the very least, the planning implications of going to market value should have been reviewed.

It's also becoming increasingly clearer that one of the big losers in the MVA proposal before you are our agencies controlled by federal and provincial governments, and I won't quote all of that. It's written down and I think you've heard from most of them.

A property taxation must be easy to understand and it must be fair. Clearly, this mishmash of a plan is not easy to understand, but is it fair? Is it fair that 27% of the population pays 42% of Metro's property tax? Is it fair that the city of Toronto generates $315 million more in education dollars than it uses and must, under your rules, turn it over to support the other school boards? Is it fair that a city of Toronto retail store pays five and six times more property tax than a store of equal size in the city of Scarborough? It is fair that a downtown property with no driveway, a small backyard and a narrow property line pays so much more than a house twice the size in the suburbs?

The answer clearly to me seems to be no.

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Let me leave you with the image that Jonathan Swift developed in Gulliver's Travels, a masterly satire of politics facing Whigs and Tories in England—Britain, actually:

In the land called Laputa, Gulliver comes across rulers who live on an island that floats above their country. From that island, they promulgate laws and dispense justice based on rational principles, reasoned hypotheses, all of which are based on the science of the day—probably a computer today. Unfortunately, they never come down off the island to see what the impact of their laws have been.

What Gulliver finds is a country in chaos. For instance, houses built in accordance with the building code keep falling down. The people subsequently revolt and cut off the power that sustains the island. It falls.

It's just not that difficult. As Gulliver says, "Providence never intended to make the management of public affairs a mystery, to be comprehended by only a few persons of sublime genius, of which there are seldom more than three born in an age."

Before it's too late, I urge you to defeat Bill 94.

The Chair: We should perhaps consider inviting Jonathan Swift before the committee.

Ms Johnston: Yes, we need him.

The Chair: That was an extensive brief. We have limited time, but if I could ask the members of the committee: one sharp question, and we'll start with sharp Mr Owens.

Mr Owens: Based on the deputations that I've listened to over the past week, including yours today, Ms Johnston, I find two things passing strange: first, that Mr Walker, the previous presenter, would have the nerve to make comments around an inept and befuddled government based on the kinds of antics that have taken place around this particular issue; and secondly, based on the concerns that have been raised especially about the railway rights of way, my question to you and to your Metro councillor colleagues is, how the hell did this bill get out of council? How did it end up here with the kinds of problems that have been so clearly articulated by the presenters?

Ms Johnston: With respect to Mr Walker, I make no apologies for Mr Walker. I find his comments intemperate myself. Second, it's my impression that when we were listening to deputations, people sometimes went in with their minds made up. They were perceived to be listening but they weren't hearing. I don't know how they could have done it because it was most affecting.

I certainly learned a tremendous amount—I'm sure all of you will say the same thing—about the problems that we couldn't even conceptualize, you know, the car companies, Mills and Hadwin, which I know you've heard from, the little businesses. I had meetings with people early in the morning and it was like going to a funeral. I don't think the people in Scarborough and Etobicoke experienced that. I don't think they went out and met with people.

Mr Owens: Representing a Scarborough riding, my question is, how do we put the genie back in the bottle now that it's out? It doesn't matter what happens now, whether it's defeated, passed or—the problem is now fully and firmly out in the public. It doesn't matter whether you live in Scarborough or in the city of Toronto; there is now a cognition—

Ms Johnston: Jane Jacobs warned us about that, saying, "Stop before you can't stop"; Tonks said, "It's too late to stop," but Patrick—and I can't remember his name, the leader of the tax coalition in Scarborough—I think has learned a lot over these last couple of months listening to the point of view being expressed by the city.

Ms Olivia Chow: I think you should reserve that question for Scott Cavalier, who of course you would know, who represents one of the—

Ms Johnston: He's coming.

Ms Chow: Yes, he's coming at 2:45—because he has been working with a lot of residents and pushing Metro. I think your question is best addressed to him because we tried our best to say that this is an incoherent and absurd plan.

The Chair: Ms Poole and Mr Stockwell.

Ms Poole: I have a question for Olivia. After Mr Maxwell's presentation I went out in the hallway to talk to him for a few minutes. He was talking to me about the fact that he was one of the New Democrats who fought to have a policy put in place at the convention against market value in 1984 and he expressed to me how very disappointed he was. Olivia, as a New Democrat, are you disappointed in the provincial government for not intervening and stopping MVA?

Ms Chow: Actually, I've worked very hard in two NDP provincial councils to make sure that the party policy against MVA remains in the books, and as a result it is still there. It is very clear what the party stand is on this whole issue.

Yes, I am disappointed. The Tories, through Bill Davis, intervened on the Spadina Expressway; the Liberals, through David Peterson, intervened on Harbourfront and declared the provincial interest; and I think if Bob Rae understands and feels the importance of protecting the vitality of the core of the city, he should intervene a lot more.

The other thing too is that this plan, unfortunately, is really inconsistent. I'm sure you've heard it many times, but one of the ways is that right now, if you sell a commercial building or industrial building, there's no immediate complete increase, whereas if you sell the home, there's a complete increase.

Who sells these days? The ones who have to sell, really, are the ones who either have no money or have no choice. Who are those people? Those are the people who are the ones who have lost their job, who either have exhausted their unemployment insurance or may not be able to get their unemployment insurance and may not be able to have welfare because they do have an asset, and these are the people who worked really hard for many years to save up enough money to have this house.

Now, when this person tries to sell and the family tries to sell the home, they're going to be in serious trouble because there's a lien on the property. They probably most likely would get a very small percentage of what the house is really worth, and it's really jeopardized their future. That includes young kids who may be orphans, or it could be that the house may be in trust, and when this person reaches 18, for example, and has to get the house back, again, the house loses part of the value.

There are all types of things in there I'm sure you've heard in the last few days that are inconsistent.

The Chair: If I could—

Ms Chow: I hope if there is one thing—then I'm finished—that can be changed, it is this sale-of-home clause. That needs to be really tightened up. It would only cost Metro $6 million and Metro has the money in the MVA envelope to change it, so if there's one recommendation from your committee, it should be that one.

Ms Poole: All you have to do is get the NDP to support my amendment.

Mr Stockwell: I always like to ask questions of previous constituents, Councillor Johnston.

Ms Johnston: Am I your previous constituent?

Mr Stockwell: I remember you telling me—Shaver or something. You used to tell me you lived down there.

Ms Johnston: No, no, Goswell Road.

Mr Stockwell: Same thing; it's very close. Anyway, the question I have is, I'm not wholeheartedly in favour of your document, as you well know, but there is one concern I have in the rail lands. I think there's probably a decent argument to be made about assessing them at the same rate as the abutting owners where you could have rail lands neighbouring an office complex, for that matter, and their assessment would be similar. Was this debated much at council? It seems that this has truly fallen through the cracks, because it's now under the category of "other."

Ms Johnston: This is yet another thing, yes. That's right.

Mr Stockwell: I'm not real sure what "other" means.

Ms Johnston: Nobody knows what "other" means. We keep finding out by disaster. It's legislation by disaster. It truly is, because this did not come up during the debate. I think it was after it was passed by council that the railway lands got worried and intervened, so I can't answer your question.

Mr Stockwell: It's $46 million that's involved or something like that.

Ms Johnston: Yes, I watched your deputation on it.

Mr Stockwell: The only one other point I could make is, the rail lands have the opportunity to go back three years and forward seven if they want to write off these dollars, whereas the constituent home owner or renter can't do the same thing. I suppose that's one selling point with respect to allowing it to go through there.

The last question point I have is, you're suggesting the city of Toronto shifts dollars out for education purposes. So does Etobicoke.

Ms Johnston: I know that, yes.

Mr Stockwell: Etobicoke has been shifting dollars out for a lot of years. I'm not saying it's fair or unfair; I understand, because you have a burgeoning east end in Scarborough that needs schools built and in Etobicoke we have schools that are closed. It's an understandable argument, and that's the way Metro in fact was supposed to work when it was set up.

Ms Johnston: But you'll remember, Chris, when we debated this in 1989 at Metro, the mayor of Scarborough couldn't answer the question about how much Scarborough received in subsidies in education dollars.

Mr Stockwell: No, but I think she can now.

Ms Johnston: Yes, she's learned a lot in a couple of years. But it was appalling that it took her that long.

Mr Stockwell: Haven't we all?

Ms Johnston: Yes, I guess we all do as we get older.

Mr Stockwell: Thank you. It was well presented.

The Acting Chair (Mr Murray J. Elston): Thank you very much for your deputation. Thanks, Anne; always very instructive.

1430

ILA BOSSONS
DENNIS FOTINOS

The Acting Chair: We can move on to Ms Bossons, who is, I think, also joined by Mr Fotinos, if you would come forward.

If you could identify yourselves for the record and then present, I just note for everyone that we are running about half an hour behind. We have to apologize to those people who I know also have busy schedules, but we'll try to move right along.

Ms Ila Bossons: I'll try to speak fast. I'm Metro Councillor Bossons and I represent the Metro ward just north, on the north side of Bloor. Olivia Chow represents the ward in which we're sitting at the moment. I'm here as a clear opponent of the Metro plan, indeed of the entire concept of basing taxes on the market value of a property.

I'd like to quote two things to you. About a month ago an official of the Revenue ministry, whom you know quite well, I think, Mr Mike O'Dowd, said to me, "No municipality in Ontario has attempted issues of this magnitude." I think he's right.

The other one is one that has been quoted an awful lot, and that was Mr Cooke, who said that "a duly elected council has reached a decision after considerable debate and compromise, and the province must respect that this is the responsibility of local council." In other words, Mr Cooke said they made a decision; we must not interfere.

I would argue that rather than washing its hands of Metro's decision, the province has an obligation to interfere with Metro. The province is inextricably enmeshed with Metro, and an unwise decision by Metro will have a negative effect on the province. You can't help that.

Metro's is the largest attempt at changing our municipal tax system. Our yearly tax revenue is $4.3 billion. Wouldn't you wish you had those? After having heard a lot of deputations, you should keep just one single fact in mind: That plan is being put to you by Metro, it has been voted on by Metro without a single attempt at studying its impact on the economy. That should send up all sorts of red flags in this Legislature for all three parties. You should understand that no amount of debate and compromise on the floor of Metro council, or even on the floor of this House, can substitute for hard, economic analysis. Politicians can't wish economics on to the table. Other people have to do that.

You've been asked by many people to exert caution, and you've got very little to lose and everything to gain by being a concerned partner in Metro's economy. You can achieve this by stopping Bill 94 right now and getting on with serious analysis instead of the acrimonious debate I hear here in this room and elsewhere.

You can do it simply by referring Metro's plan to just about the only agency that's capable of analysing it—that is, the Fair Tax Commission, which is going to come out with a very hard-hitting report on Metro's taxation system and it will make tough recommendations on what can be done about it. Metro, frankly, does not have the capability of studying its own plan because it involves nearly the entire Ontario economy. It is not a little plan. There are no impact studies, no statistics, no understanding.

As a member of Metro council and a member of its task force on assessment reform, which is a very serious misnomer because no assessments were reformed, I can assure you that in the short years leading to the plan's original approval in 1989 and reapproval in early 1990, Metro council did not carry out any economic analysis of any Metro economic facts or assessment figures. It was a theoretical analysis which you and I could have also done. The conclusion was that all wealth should be taxed. I do agree with that, and I believe you do. In fact, analysis of this magnitude simply cannot be done by Toronto.

What's worse, because there are so few numbers, is we now hear the most meaningless figures bandied about, including by many members of the committee. The most amusing question tends to be the one which has been asked by Mr Mammoliti quite frequently. He very earnestly says: "Well, with 58% of taxpayers getting a decrease and 42% getting an increase, isn't that a wonderful plan? Why should we not support it?" That's meaningless. What increases? Who gets them? What's going to happen as a result of these increases? Two average figures are just nonsense, and you learn that in Economics or Statistics 100. To say the least, those statements are based on ignorance.

Until it is crystal clear that 1988 market value-based taxation will not apply to the Metro market, the owners of commercial properties will find their property values grossly depressed. What buyer in his right mind would offer much for a building that has a 300% tax increase overhanging it? In this respect, let me just quote a few numbers.

Most of you are not from Metro. Most of you would find it inconceivable that a 16-foot, semidetached frame building in 1988 would have been valued by a provincial assessor as worth $1 million with a tax of $10,000 in one part of the city just up the street from here, whereas if you'd taken that building and plunked it down in Scarborough somewhere it would have been worth $200,000 and would have paid $2,000. Who among you can even imagine those numbers to apply to their own home town? Probably none.

What service garage can you think of which now pays $16,000 in property tax plus $5,000 in business tax? What would your future business plans be if you were told that the 1988 market value tax would be $135,000—from $16,000 to $135,000—and your business tax would go from $5,000 to $40,000? Do you think anyone would buy your property simply on the say-so of the Municipal Affairs minister that this government would not allow full market value to be implemented? I think not. Would you trust the next 1994 Metro council or the next government not to listen once again to those who see immediate tax cuts from market value and who will push even harder for it?

The loss of equity in Toronto has been much higher than in the suburbs because here values were inflated grossly and have plummeted more steeply. The street demonstrations and the threats of civil disobedience by formerly law-abiding small business people have sent a message clear across the country, and even beyond our border, that Metro is a capricious and unfriendly place to do business in and that the Metro plan will make it seriously capricious and unfriendly.

By approving Bill 94, you'll only deepen this uncertainty and continue to stymie commercial activity. I don't think we can afford that. Don't for a moment delude yourselves that the Metro plan is a Metro affair only. If you damage small business in Metro, you damage small business and the economy all across Ontario. We are all part and parcel of the same economic ship, which is in pretty troubled waters at the moment.

I would remind you that the survival of the provincial economy doesn't hinge on resources or the auto industry. They're closing down. They're not selling. They can't compete with Indonesia or other countries. It will hinge on innovation, on competitive small businesses which have always been the most important job creators. There are very few large businesses in this province. It's the small businesses that have made and are making this country. Most of them are centred in the city. Cities are incubators of entrepreneurship, as Jane Jacobs has said, and this plan will help nip it.

The plan would also take away equity from home owners. I know Canadians always want to be like their American cousins. Don't believe for a moment that we're immune to what's happened in American cities. Jane Jacobs, the sociologist who is a world expert on the economy of cities, has already seen these trends in Toronto. If we knew how to fix them, we would have long eradicated street prostitution, drug dealing, violence and the homeless from Metro neighbourhoods. We can't fix them. They're here and there are more of these incidents every day. It's beginning. That's why it's called urban rot, and Professor Jacobs has clearly predicted that there'll be more boarded-up stores and more people leaving the city. It's too bad that we're aping the Americans 40 years after the Americans made all these mistakes because they applied precisely this kind of tax system.

A recession is not the time to approve a plan which, in 25 months from now, will have implemented 25% tax increases on a majority of Toronto's small businesses and which will have implemented up to 10% tax increases on nearly a majority of home owners in the city of Toronto.

You've heard Canadian National Railways, you've heard CP and you've heard from their union. A remark of the union person sticks with me. He said: "Look at the real world out there. We're fighting for our lives." The job losses that CN predicted are going to be reflected all through the economy. One single tailor, one single architect, one single shop person gone, that's three jobs. Every one of those will add to the misery that's out in our streets.

Organizations, non-profit organizations, the arts are going to be taxed just like small business. Their tax increases will amount to tens and to hundreds of thousands of dollars. Are you going to give them extra grants so they can survive? We sure can't. We haven't got the money.

One brief by the arts community that was given when they thought they would get full increases—it's now down to 25% of current—said, "You're wiping out the arts." The arts are hanging on by their teeth. This city attracts about $1 billion worth of tourism, and the arts are a very major reason for getting those tourists coming here.

May I remind you also that hotels all around us are either struggling or closing down. This is not the time to add even a 1% tax increase. This plan will add 25% tax increases to a majority of small businesses in the city of Toronto and significant increases all across Metro.

At every turn, you have a direct interest, or should have it. Endorsing Metro's plan without understanding what it means is not just being truly stupid; it's destructive. I can assure you that my constituents will hold the province responsible.

1440

The plan is clearly market value based, and Councillor Johnston has spoken about that. It looks like market value, it smells like market value, and it reaps revenue like market value. Do you really believe that after the interim period, come January 1998, the province and Metro will undo these firmly set increases and undo at the same time the hundreds of thousands of tax decreases that meanwhile have also been given based on 1988? Do you really think you can wash your hands of this plan? I can assure you that the electorate of Toronto, for one, will not let the province off the hook. It is not just a threat which is made to the NDP and the government; it is a threat that I want all the MPPs in this House to hear.

To say, as did Mr Cooke and other MPPs, that they will study Metro's plan after it has been implemented is disingenuous. The Globe and Mail remarked on that, that Mr Cooke's horse discreetly seems to follow his cart, and my constituents are angry that you as a senior government should move with such haste to endorse this plan.

In my opinion, you have an obligation to interfere. You should not have a fear of interfering. You are Metro's major and intimate funding partner. In 1992, you gave Metro no less than $1.4 billion towards its operating grants. Our operating budget is $3.2 billion.

The province has historically provided three quarters of all of our major capital projects. That's hundreds of millions of dollars. You set a myriad of standards which dictate our funding decisions literally day by day, whether it's on a simple traffic signal, setting TTC fares or the rules of providing day care or running Metro's homes for the aged.

Your hand is in everything, and instead of feeling that you should not keep your hand there, I say you should put it more in there because, in my opinion—and I sit at Metro council—Metro often doesn't know what it's doing. My constituents want you to keep a sharp eye on their hard-earned dollars.

To say, as Mr Cooke has said, that Metro's a duly elected council and its decisions should be sacrosanct to you is also to say that you should give Metro council $7 billion worth of transit funding. We've been duly elected. I've been elected with 68% of the votes. If my decision stands for "Fork over the $7 billion or the $9 billion," clearly you're not going to shy away from interfering in that particular issue. You haven't got the money. You haven't got the money either to pick up the mess after this tax plan is implemented.

You will have to make decisions in the next few years—it can't be put off much longer—on infrastructure spending in the Metro area. You will have to interfere. You cannot wash your hands of Metro's tax proposals or any other plans. You've got to look beyond the quick argument that "My constituents will get a tax decrease." Wonderful. I hope that at least this senior government takes a somewhat broader look at matters and looks beyond that and practises wise stewardship.

My constituents want tax reform, particularly because education funding is so rotten. Councillor Johnston referred to the exports. One out of every three tax dollars spent or provided by Toronto taxpayers is exported to other municipalities whose trustees we have never met, whose trustees we have not voted for and whose trustees don't owe us the time of day or, indeed, any accountability for this $316 million.

By exporting that money, by the way, it means that the taxes in Scarborough are kept 27% lower than they should be, East York keeps its taxes 30% lower and the city of York gets 48% of its property taxes paid by someone else. Most of that comes from Toronto. That's the perversion of the Metro concept. It's not a red herring, as Mayor Trimmer said to you. It cries out for reform.

The city has asked you not to approve Bill 94. You have every right to demand a cautious, analytical approach to Metro's plan. You have everything to gain and nothing to lose from referring the plan to the Fair Tax Commission. I urge you not to vote for a third time for Bill 94 and do just that, hold off and ask that finally someone understand the effects of this plan on the Metro and Ontario economy.

The Chair: Thank you very much. Mr Fotinos, did you wish to add a comment?

Mr Dennis Fotinos: Yes, Mr Chairman, thank you. I won't take up too much of your time. We appreciate Councillor Bossons's allowing me to add my two cents in.

I wanted to address just two points. One is the social impact. I represent the ward of Davenport, which has quite a few areas that have infamy attached to them. One in particular is Bloor and Lansdowne, often called the McDonald's drive-thru of drug dealing. I want to address very briefly what the impact of market value assessment will be on the businesses at Bloor and Lansdowne.

Even with the protection measures instituted, I'll give you a sample case of a business paying $6,000. Even with the 10% protection factor factored in, including the corresponding increase in business taxes, you're looking at a potential increase of around $900. Although that $900 may not equate to bankruptcy, and I'm not going to stand here and tell you that that's what it will do, in the long run it will create an unfair tax burden.

In the short term what does that do? In the short term the $900 or $1,000 of tax that will be added on to the tax burden—because you've got the mill rate increase as well in that $900—means that $900 that would have been spent in the business improvement area to better the area of Lansdowne

and Bloor by providing measures to alleviate the negative repercussions of drug dealing and prostitution in the area won't be spent. That businessperson will have to put that money into this extra increased burden.

The social impact means that the problems of prostitution, drug dealing and the other ancillary crimes that result will continue to be unchecked and the businesses that are barely surviving in that area will have one more impediment in their way of success.

Finally, I just want to address really briefly the alternatives. In hearing a lot of the deputants and the questions that came forward, I heard the question come out, "What alternative do you have?" That question has been put to the city of Toronto and to Mayor Rowlands. I submit to you that there are two alternatives available to the province at this point. One alternative is in substance and the other alternative is in process.

The alternative in substance flies contrary to what we on Metro council were told by our chief administrative officer and what we were told by our bureaucrats at Metro. We were told that frankly property taxes can't reflect a person's ability to pay. They are like the user fees we charge at Metro for different services we provide.

I contested that point and I submit to you that we have to contest that point. As government, we have to submit innovative ideas to people. While it isn't up to us to sit down and say, "These are the numbers we attach to them," I think it is up to us as representatives of the people to tell our experts, our economists and our bureaucrats that in fact they have to come forward with a system which reflects a person's ability to pay, which reflects the size, location and market value, which reflects the usage of a home, whether it's a single-family dwelling or whether it's used for profit, give them that direction and tell them, "Come back with a proposal that reflects these ideas." I believe all three parties espouse those concepts that deal with fairness, the person's ability to pay and the other aspects I have outlined.

Finally, if that's not adopted and we can't go that route and we don't want to deal with an alternative in terms of substance, then I think there is an alternative which I hope this NDP government espouses, and that's in process. I hope that at least the NDP government allows a free vote in the House and allows members of this House to vote according to what their constituents truly want them to do in the House. At the very least, I suspect that if it's allowed to go to a free vote we will have a much better representation of what the true interests are of the taxpayers in this municipality and the province.

I won't harp on a lot of the other details that Councillor Bossons talked about because you've already heard them many times over. I sincerely hope that at least you'll consider the inequities that will be created in terms of the point-of-sale provision.

1450

The government has come out and said, "Basically, we don't agree with that," but by sending it back to Metro, I think what you're doing here is trying to—not you personally, but the minister is trying to hoodwink, if I may, the people. He knows full well that the votes at Metro are going to be 21 to 13 against removing that point-of-sale provision, so sending it back to Metro is not the solution. To pretend that's a magnanimous solution that the government doesn't agree with is not the right way to go.

If the government does not agree with the point-of-sale provision, then remove it right now and put the protection on the home owners when they sell their properties so that we can elect a new Metro council, hopefully in the next municipal election, that's going to turn this thing all over and give the kind of tax system to the people that they deserve.

The Chair: Thank you very much. I regret that we have passed over our time for questions. I know there would be some but you've provided a great deal of thoughtful comment and we thank you both for coming before the committee.

Ms Poole: Mr Chair, just a point of clarification: The witness asked about the point-of-sale provision and whether the province would put on a protective cap or retain the protective cap. I just wanted to tell Mr Fotinos that I asked the parliamentary assistant that today. He's free to correct me if I'm not paraphrasing him properly. My understanding is that they haven't reconsidered at this particular point in time but that may change, so I will be putting forward an amendment, and the government apparently has not completely ruled out that it would accept that amendment.

BRIAN INESON

The Chair: I call Mr Brian Ineson. Welcome to the committee and please go ahead when you're ready.

Mr Brian Ineson: Thank you, Mr Chair and honourable members of the committee. I'm a councillor in the city of Etobicoke, the north end of Etobicoke up in the Rexdale area. I'm also actually a teacher and teach mathematics and still manage to keep a class or two.

Actually, I've done some work on what the taxpayers are paying here in Etobicoke and treated it sort of as an annuity, so I had my grade 12 business math class work through that. Mr Silipo will be happy to know that. Mind you, these are all students who are pre-transition years and pre-destreaming. But they did manage to work through that, and my finite math class did it as an independent study unit.

Mr Tony Rizzo (Oakwood): Are they basic, general or—

Mr Ineson: The finite math, of course, are advanced and the business are general.

The Chair: I sense we'd better stick with market value. We could be in trouble.

Mr Ineson: I'm coming in; that's okay. I'm glad to hear the word "fairness," because man, that's all we want in Etobicoke, fairness. Etobicoke, by the way, is that part of Metro on the other side of the Humber. It didn't fall off. It's still there.

I'm probably going to be giving a different presentation than you've heard from some of the ones I've been in on here anyway, but they're great to listen to; it gets you excited.

Just to give you one example, ward 10, which I live in, represented in this book on market value 12,000 tax addresses: 11,500, about 96%, get a decrease under MVA. In Etobicoke we have 100,000 tax accounts and 75,000 would see them reduced under MVA. That would be if we could get MVA totally in.

I'm forced to ask you to support this form of MVA which we have coming in, although to me it's a halfway MVA. It's kind of like this grade B horror movie, Son of MVA or something like that. But to do anything else would mean that my residents wouldn't get at least part of a break this coming year.

Basically, the residents we represent in Etobicoke are sick and tired of supporting taxpayers in other parts of Metro. It's basically just subsidizing taxpayers. We've heard the city of Toronto is being subsidized by residents and we heard this word "fairness." This isn't fair and just.

I want to talk just briefly here. If we look at it, the lifetime cost to a resident in Etobicoke who, right now, perhaps, is paying $600 too much on his tax bill, if we take—Mr Stockwell, did you say—

Mr Stockwell: It's $600 I get.

Mr Ineson: Okay, $600. Now, if we assume you bought your house in 1973 and you being—we'll put it that there are three classes of investors: the really astute ones who managed to put their money in the Templeton Growth Fund—18%, 35-year track record—

Mr Stockwell: That's not me.

Mr Ineson: Ten per cent, maybe more, conservative; 7% if you just kind of left it in your bank account.

The Chair: Try not to let Mr Stockwell—

Mr Stockwell: I apologize.

Mr Ineson: Lifetime cost: I'm assuming we take MVA up till now which you've paid—you're paying $600 too much if you bought your house 20 years ago. I did an average resident. I have a whole thing of figures which fax to you later on. Back in 1973, if you bought your house then, you're already paying about $140 too much. I just took the tax rates and worked them backwards.

Now, given MVA is halfway in—I don't know how we're ever going to get it all the way in. It took 20 years to get it halfway in. I'm going to assume it will take another 20 to get the other half in. So now you're still paying probably an extra $600 for the rest of—what would happen in this formula is another $300 too much for the rest of your years.

It comes to your cost when you retire at age 65, if you're about 45 now: $75,000 at 7%; $160,000 at 10%; it's up over a million, about $1.8 million, if you've got it in that Templeton Growth Fund. We in Etobicoke just want to know how much we are supposed to be subsidizing residents in other parts of Toronto. What's our lifetime bill going to be for subsidizing? The residents in Etobicoke, when I look at the ones around my ward, are not super-rich people. We're talking of little three-bedroom houses.

We got the papers from the last couple of days: big headlines, two-inch headlines here: Welfare Fraud; Welfare Ripoff. All three papers; all three Toronto dailies. We've got a nice picture of Mayor Rowlands here crying poor for Toronto, too, at the same time. These two things can go together, because in essence our present property tax system, as we've been experiencing it without MVA, is nothing short of government-sanctioned, in fact, government-mandated welfare fraud.

Basically, welfare fraud would be when you're giving money to someone, you're forcing someone to pay the money someone else is getting and they really shouldn't be getting it. This is what's been happening in Toronto. I don't know, was it the NDP that coined the phrase "corporate welfare bums"? I would say the city of Toronto is nothing less than municipal welfare bums, if we're going to do it that way, because in essence what it is doing is it has conned everybody into thinking this money it has been—if you take the extra money it has been getting over its lifetime, it shouldn't have a tax bill for the next 20 years. As far as talking about the education tax in Etobicoke is concerned, we have a negative education subsidy. We give away more than we get.

Talking about downtown here, all this infrastructure that's down here—and Toronto wants to leave Metro—the infrastructure's all been paid for. My residents have been paying for a subway that we live miles from. We don't have it running through our backyard. So one way of looking at it is that if they want to leave, if they want to take this structure, give them all the—the reason they've got all this tax base is because of all the structure. Maybe we should just plow under the 401, plow under the QEW, let them come into Toronto by boat and see how they do then.

This present property tax, like I say, is just more or less a form of welfare for the city of Toronto. In Etobicoke, in Rexdale, our heartland in north Etobicoke, it's almost empty. In fact, with one of the councillors, Councillor Elizabeth Brown up there, her nine-year-old son suggested changing the name of the city to CB Commercial. He said, "But that's the sign that's on every second building, mom, 'CB Commercial' and 'For sale,' 'For Lease' or 'For Rent.'"

1500

We're not talking about the businesses leaving; they've left; they're gone. To give a simple example of one business that Etobicoke could have, I've got an acquaintance who has a business in Toronto here, a small, little publicity business with three or four employees. I said, "What's happening to your tax bill?" He said, "It's going from $4,000 to $16,000." I said: "What if you absolutely had to pay that? What would you do?" He said, "We'd probably fold up, move and operate out of our basement in Etobicoke until we found cheaper accommodation nearby." To me that means what Etobicoke is doing is paying residents to locate elsewhere.

Correct me if I'm wrong, but I thought bonusing was wrong. Bonusing is when we give people tax breaks to locate in certain areas. This form of property tax system we've had all these years is nothing short of bonusing. In fact, it's worse than bonusing. At least in bonusing you cough up the money yourself to give the business a tax break. What is happening here is that Etobicoke is being forced to cough up the money to give to the businesses to locate in Toronto.

You can look at how high their tax bills are going up, but the thing is that a lot of those businesses perhaps would be located in other municipalities like Etobicoke. We've lost our businesses. They just can't afford to support it any longer. For over 20 years businesses and homes in Toronto have been given a tax holiday, and now we have to pick up the tab. They're going to have to pick up the tab.

With respect to Etobicoke, this past year we paid $70 million too much in tax, if we go by the MVA figures. Even with this half-baked MVA, it's still going to be in excess of $50 million. That's a lot of money. We could sure use that. Those empty businesses: We could do a little more than put

up light switches on the post and tell them to flick the lights out after they leave. We might be able to generate something in that city. That's $70 million of the $600 million in taxes that are collected in Etobicoke. That's the part that counts in Metro, the education and everything.

What I'm asking you to do, if you had the power, is I'd say force Metro to put in MVA all the way. Forget about this halfway stuff.

I don't want to go through this shemozzle we've gone through for the last couple of months three more years from now when we try to get the other 50% in, but at least don't stop this. We need to at least get some break.

The average resident, over his lifetime, can't afford to give $100,000 or $200,000 or $500,000 of his money. Like I say, conservatively, it's a hundred grand over a lifetime in extra taxes, assuming that these people could have invested this money in something like registered retirement savings plans.

I have just a couple of other points.

The Chair: There are a few who might ask questions. I'm just concerned about time.

Mr Ineson: One or two more quick points: I know you have to look at the whole picture, but you have to take a look at places like Etobicoke where the business needs us. We're fighting like crazy to attract and keep them. We need every break we can get. Mississauga: When we get farther out from Toronto—I believe the education portion of the tax is what does us in. In essence, we're getting hit every which way. The money we give in taxes to Metro and to this province is being used to subsidize areas outside our borough, our municipality and our city. I'm just asking that you pass this thing.

I'll answer any questions I can.

The Chair: If I can, one question from each caucus, but please, if you can, keep the question tight.

Mr Ineson: I'll try and keep the answer tight.

Mr Mammoliti: Thank you for coming out. I must commend you for coming down. We're not getting that many individuals coming from Etobicoke or North York or Scarborough who are in favour of this. In my particular riding, I've asked individuals to come out and talk about why they're in favour of it. The obvious reasons are a decrease and a fairer system than what we have now. But the bulk of the reason for North York, in my particular area, is that they can't speak English. A lot of them just can't speak English and can't come down. I commend you for coming down and representing your community.

Over the last little while, the questions I've asked in terms of the people who want it stopped are: "What about Etobicoke? What about North York? What about Scarborough? Do you think it's fair that they continue paying the taxes they are paying currently?" The answer we've been getting consistently from those people is: "They knew what the taxes were when they bought their house. It's their fault." What do you respond in terms of those comments? How would you respond to them?

Mr Ineson: You're talking about these recent ones maybe, these bigger homes; they knew what the taxes were when they bought their houses. Is that what you mean?

Mr Mammoliti: I'm talking about the individuals from Toronto who want this thing stopped. Their response to the argument that people in the suburbs are paying too much is that it's too bad; they've moved out there, they've dug their graves, now let them deal with it. Basically, that's what they're saying. What's your response to them when they say that?

Mr Ineson: I would say all we want is a fair system. I think the way our society operates is fair, and I don't see why someone in Etobicoke should be shelling out this past year $1,500 to give somebody in Toronto—actually, one of our staff members has a house in Toronto up for sale. I noticed it was selling for $270,000, and the taxes were $1,100. My own assistant looked and said, "My house is smaller than that, and I pay $3,000 in Etobicoke." This is not fair.

The Chair: Ms Poole and Mr Stockwell.

Ms Poole: I think we could safely say the one thing that everybody who has come here to appear and every member on this committee can agree upon is the fact that people are feeling very taxed out, very tax stressed and that everybody feels that he is paying too much. You were putting forward the position of the city of Etobicoke, which is the same as Toronto's position of exporting tax dollars to other municipalities.

I don't know if you were here a bit earlier during Ila Bossons's presentation, but she made the same argument from the other side of the coin, which is that city of Toronto taxpayers contribute $160 million to Scarborough alone every year for its schools and that we keep Scarborough tax bills artificially lower by 24% through that mechanism. Etobicoke is doing the same thing, and North York is also an exporter of moneys. So those three municipalities are subsidizing Scarborough, York and East York.

All I ask is that you consider that there are two sides to the issue. A lot of people in Toronto have much smaller homes. Not everybody; we have some larger areas, but many of our homes are very small. We don't complain about it, we love them, but we would see a much larger house for the same taxes under market value in Scarborough or Etobicoke. That's just the other side of the coin.

Mr Ineson: I have just a quick comment on that. The way I would approach this is that the reason you've got so much tax in Toronto is because you've got a lot of business here. You've got all kinds of infrastructure.

Ms Poole: Not any more; we've got the same problem you do.

Mr Ineson: You should check out Etobicoke. You've got infrastructure, and you've got subways that residents on the environs have paid for that you reap the biggest benefit of. You've got highways coming through, that mainly just use up our prime land, basically to funnel people into Toronto. I think it's only fair and just that Toronto would pay that, because it has that infrastructure to attract that business that's been paid for by everybody. In essence, when Toronto said it wanted to leave, it could leave, but it's going to leave part of the commercial assessment behind. It's not all theirs; they didn't pay for it. We paid for it.

Ms Poole: But when the business taxes for the city of Toronto are among the highest in North America, if not the highest—there's a debate whether we're ahead of Manhattan now. We're in the same position you are, that's what I'm saying.

Mr Ineson: If yours are high, what are ours?

Ms Poole: We're losing business to Pickering, to the suburbs.

The Chair: On that agreement, Mr Stockwell.

Mr Stockwell: Oh, we've got an agreement.

Ms Poole: A tenuous agreement.

Mr Stockwell: A tenuous agreement, but an agreement none the less. I just want to make a couple of points. I represent a different part of Etobicoke, but I know your part; I represented it for six years as a controller in Etobicoke. In Etobicoke we tend to have a bit of difficulty because we have that burgeoning metropolis west of us known as Mississauga. As the mayor always says, "The Mississauga hordes cross the river."

1510

In Etobicoke we get no education funding from the provincial government. We get a reduced board of health budget. We transfer our payments out to the other municipalities just like the city of Toronto to Scarborough, York and East York. Under MVA it's clear we're overtaxed, overtaxed significantly in some cases. Is it any wonder why you can't keep business in Etobicoke, which is the number one concern, when our taxes are X and if you cross the river into that burgeoning west end known as Mississauga, you pay half—no doubt about it—to cross the road? I just want to make that point. I want to ask if you've seen it.

Other than market value assessment and maybe some greater grants from the provincial government, what is it you're going to do in Etobicoke to maintain or attract industry when it can cross the road and pay half the municipal taxes, in some cases amounting to hundreds of thousands of dollars a year?

Mr Ineson: Look at Campbell Soup under MVA: $600,000 down or something.

Mr Stockwell: A reduction of $600,000 at Campbell Soup alone.

Mr Ineson: They can't budget for that. Basically, what's been happening is nothing short of bonusing. It's bonusing. It's giving tax breaks to companies to locate elsewhere, and we have to pay it. Our taxpayers have to pay it. We could use some help. Like I said, the education subsidies given outside, the difference is mainly the education portion when you get farther away.

The Chair: Thank you very much for coming to the committee this afternoon, Mr Ineson.

Mr Ineson: Thank you for having me.

MICHAEL COLLE

The Chair: The next witness is Mr Michael Colle, if you would come forward, please.

Ms Poole: While Mr Colle is coming to be seated, I just had some important information passed to me from city officials. The city of Toronto has 20% of the population but pays 29% of all taxes raised from the residential property section in Metro. I thought it might be interesting to have those statistics on the record.

The Chair: Mr Colle, we welcome you to the committee. We have a copy of your submission. Please, go ahead.

Mr Michael Colle: Thank you, Mr Chair and members of the committee. I'm not here to bash the city of Toronto. I'm not here to bash the members of Metro who, unlike myself, voted for the plan. I'm here to offer a couple of maybe divergent viewpoints and to let the members of the committee know that it's just not a matter of the city of Toronto versus the suburbs. There are also areas in North York, East York and York, and representatives from those areas, like myself, who voted against the latest Metro proposal. I know the deputations I've heard so far seem to pit it as Toronto versus the others, but there are some areas outside of Toronto, like my own, that have been adversely affected.

I think some of us have a bit of a different perspective. I live on the border between Toronto and York. Also, my area borders North York. I think being parochial in this case doesn't really help because as far as many people in my area are concerned, the health of North York or the health of the city of Toronto will impact on the vitality and the health of the area I represent in York. So it doesn't do any of us any good to bash Toronto, especially when Toronto gives $64 million a year to the Board of Education for the City of York to operate. Therefore, it's really counterproductive to sort of bite the hand that feeds you. I think a lot of people in York are very cognizant of the fact that we rely on other municipalities for our own economic and residential vitality.

In the past a lot of us in York waited for the MVA to come through in York as sort of a Messiah that would save us from the highest mill rate in Metro and also some of the highest assessment in Metro. We anticipated the coming of MVA. In 1984, in fact, I was on a task force at Metro that visited all the municipalities. We studied it and heard from deputations right across Metro. At that time the proposal was one that I thought was acceptable, and I voted in favour of the 1984 proposal. But there's a couple of very important differences that have come about since 1984.

First of all, the latest Metro proposal is based on 1988 values. No matter how you try and explain 1988 values to the average citizen, it doesn't compute. It was a blip, something that didn't make sense, had no continuity to it, and as a result of choosing 1988, the tax proposal of Metro gets to be something very few people can either understand or accept. No matter how you try and explain why you selected 1988, it's almost impossible for the general public to accept the selection of that year.

What I'd like to also mention is that whether or not it was intentional, the latest Metro proposal in effect taxes to a greater level the most intensified areas of Metro. I've included a chart I think Councillor Anne Johnston included. If you look at the population per square kilometre, you'll see that the areas of Metro, whether they be in mine, in York or in the city of Toronto, with the highest population densities are the ones that get hit the hardest by the new Metro proposal. The ones that have less intensification, less density, seem to be benefiting by it. I'm not saying that's intentional or whatever, but that is the direct result of the proposal.

The fallout from that is that there are many of us who have made a commitment to stay in the downtown core. That commitment was made by us over the last 20 years, and they were either from groups of immigrants who came into the downtown core or yuppies who came a little later, but we

made a commitment to renovate, rehabilitate, rebuild our homes and stay in the downtown core, put up with rundown schools, put up with parks that are nonexistent, put up with a lot of the social problems. If you look at some of the hostels, the care facilities we have to absorb, and we do it so willingly, in fact if you look at the number of care facilities in the city of Toronto, you'll see that the city of Toronto has more care facilities like group homes than any other municipality. We were willing to put up with that and, again, absorb it within our community and invest our own money into renovating and restoring our homes.

This MVA proposal is really a further entrenchment of a very outdated and antiquated approach to taxation—that is, that when you do restore an older home or building, you renovate, rehabilitate it, you automatically trigger a tax reassessment. In other words, you have to pay for building supplies, you have to pay for people who come in and work on your home or building, and you pay provincial sales tax and other taxes on that, excise taxes, and then on top of that, besides the regular mill rate increases, your building permit triggers another tax assessment, which invariably triggers another tax increase. So you get punished for committing yourself to rehabilitating and restoring older neighbourhoods.

I say to you that if the provincial government or the Metro government or the federal government had paid for the rehabilitation and renovation of downtown Metro over the last 30 years, it would have cost them maybe to the tune of $50 million to $60 billion. But that was done in spite of the governments, in spite of the municipal, provincial and federal governments which penalize and have penalized the immigrants who've come in and restored the downtown core.

This latest MVA proposal further accentuates that inequity of penalizing people who invest and stay in the downtown core. In fact it becomes almost a reward for people who have packed up their bags and gone to Woodbridge or Thornhill. They have left us behind and said, "I can't put up with the crime and I can't put up with fixing up my home any more," so they have left. We've remained behind, and in the past we have done so, again, without any assistance. This is what I'm afraid is the worst fallout of the latest proposal, that it's going to penalize people who have made that commitment.

I would say that there are a couple of modifications—and I'm fairly realistic. I realize that the people at Metro have worked hard to try and come up with a solution, and I've heard people talk about unit value and poll taxes. I mean, that is all a pipe dream. Every pamphlet you get at the door for the last 20 years: "We're going to have true tax reform. We're going to eliminate welfare. We're going to eliminate education." Those are pipedreams. We're all going to be old and greyer by the time those pipedreams come true.

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I'm saying we have something before us that Metro has put before us. There are some small modifications that one can make to at least make them more equitable. The three simple things I'm asking for are that, first, you look at using 1984 as the base year, because the province changed the base year already from 1984 to 1988. So change it back to 1984, because we're told always that it's revenue-neutral. Second, if you sell your home, you shouldn't have to pass on the new assessment to the present owner until reassessment comes in. Third, if you renovate, improve your home, there should be a moratorium of 25 years on your new assessment if you invest in your home and rehabilitate it.

I think if you incorporate those three provisions into the Metro plan, it goes a long way in terms of addressing some of these long-term inequities that the latest Metro proposal further aggravates. That's essentially what I have to say.

The Chair: Just before going to questions, just for my own information, because I'm not in Metro, where exactly is your area?

Mr Colle: St Clair and Bathurst, west to the Caledonia area, north to Eglinton, Briar Hill. So we're surrounded by the city of Toronto and North York.

The Chair: Right. Thank you. Mr Rizzo.

Mr Rizzo: Mr Colle, you just said that you voted for market value assessment in 1989. You changed your mind and voted against in 1992. You tried to explain why, but that's not been very clear to me. Can you try to do it again, if you would, please?

Mr Colle: The clearest thing is that at that time we were given two guarantees. We were told that this was an interim step towards true property tax reform. It seems now that the chances of true property tax reform, coupled with this proposal, are even more remote than ever. Second, in 1984 the majority of my residents, 74%, were to get a decrease. With the 1988 values, it's just almost the reverse. We're now 56% or so who would get an increase. Therefore, it just totally turned around the impact to being a negative impact, rather than the positive one we thought we would get.

Mr Rizzo: In other words, you didn't vote for or against because you believed in one type of reform rather than another. You voted for when you thought that the majority of the people in your area were going to benefit. Now you vote against because the majority of people are not going to benefit; they're going to be penalized.

Mr Colle: Yes. Plus the fact is that I think the 1988 choice is an aberration, that you cannot base any tax on property on that year. The selection of that year makes the whole thing really unacceptable. Those two combinations mean that it's certainly not acceptable to me nor, I think, to the majority of the people I represent.

Mr Perruzza: On a point of order, Mr Chairman: Just for the record, one, it was the Liberals who selected the year and, two, 1984 assessments were never done. They were mean averages. So the figures for 1984 weren't actual, real assessments, because they never paid to have it done. They just returned a bunch of numbers. Okay? For the record, Mr Chairman.

Mr Colle: I guess the only thing about that is that in looking at the assessments for 1988, you would think that they were also done either by Braille or by some kind of ad hoc fashion too. They're both inconsistent.

Mr Mammoliti: What did you mean by "Braille"?

Mr Colle: People that didn't go to the homes and see them.

The Chair: Order, please. Ms Poole has the floor.

Ms Poole: Just before I go to my question, I would point out to Mr Perruzza that at the time 1984 was deemed to be

too outdated since everywhere in the province that the Ministry of Revenue had okayed a reassessment, they had done it on the most recent available data within the last four years. By the time this plan came—

Mr Perruzza: There were 1982 figures translated—

The Chair: Order, please. Mr Perruzza, we can state our opinions. This is not the House in debate.

Ms Poole: I'm not talking—

The Chair: Order, please. It is questions to the witness, please. We will carry on the debate at another time.

Ms Poole: Not to make it into a debate, and I actually was not saying what Mr Perruzza thought I was saying. What I was saying was that across the province—not throughout Metro, but across the province—they had used the most recent year when they reassessed in other municipalities.

The Chair: And our question is?

Ms Poole: The question I had for you flowed actually from what Mr Rizzo asked. You did change your vote this time around. I think the case illustrates the volatility of market value assessment as a method of property tax reform, that you have a set of winners and losers at one time, and then the next time they change, so you have a new set of winners and losers.

There have been a number of councillors who have changed their vote. I think Maria Augimeri went back and forth several times. Joe Pantalone changed his vote and now voted against it. But the one person, I believe, who voted against it using 1984 values and who actually maintained her vote against it using 1988 values, even though using 1988 values her constituents would have benefited, I believe—and you can correct me if I'm wrong—was Marie Labatte from North York.

Interjection: She was always against MVA.

Ms Poole: She was always against MVA. That's right. But I believe her situation changed, that her constituents actually benefited when the figures changed, yet she stuck to her position. The point I'm making is that the volatility in many cases produced changes in votes, except in this one instance, and it shows how very volatile this particular plan is.

Do you think, first of all, that the government would go back to 1984? When the same bureaucrats in the Ministry of Revenue said 1984 was too stale-dated to use three years ago, do you think they'll go back to 1984?

Secondly, while I really appreciate your efforts to be constructive, your proposal still means that it would be a market value based plan, which we've already seen is very volatile. Do you think that is not a consideration?

Mr Colle: Okay, Ms Poole, there are three points, I guess. The first point in terms of volatility is that we were constantly told by the experts that the year you chose was irrelevant; you could choose any year and the increases would be fairly uniform. That proved to be false really. The next time around, it could be your ward or your constituency, the area that you represent, that could be hit by the volatility.

There is volatility in the Toronto market. I think the average increase across Metro is 135% in property values from 1984 to 1988, but my area and a couple of others went up in about the 160% range. So it could happen anywhere the next time around. Then we'll see where the people from Scarborough will vote or people from North York will vote, if their area all of a sudden is hit by the volatility.

The other point that you made in terms of the staleness: If you look at the 1984 value, you'll see that it's almost a lot closer to reality than the 1988 value is. We may never see those 1988 values again. Ask some people who have some properties and ask them if they can sell them for the assessed value. It's a joke.

Ms Poole: That's very true, but I—

The Chair: I'm sorry, but I'm going to have to intervene here. I'm afraid we're in a real time bind. So I want to thank you very much for coming, and we really appreciate your brief and your comments.

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SCOTT CAVALIER

The Chair: I now call Scott Cavalier. Welcome to the committee.

Mr Scott Cavalier: Thank you, Mr Chairman.

The Chair: I don't know if there's any water left there, but feel free to have some.

Mr Cavalier: I think we'll be okay. I'm fine, thanks.

The Chair: Etobicoke is willing to pour.

Mr Cavalier: I appreciate that.

Mr Perruzza: Mr Chairman, just to clear up the record as well. Mrs Poole—

The Chair: Can we maybe do that later?

Mr Perruzza: But it's important, I think.

The Chair: We're here to hear the witnesses. We'll have plenty of time to—

Mr Perruzza: But there was something she said that was incorrect.

The Chair: With respect, there are lots of times when people feel other people have said things that are incorrect, but we've got to move on here. We're falling behind. Mr Cavalier, you have the—

Mr Perruzza: You're going to allow Hansard to be printed with misinformation.

The Chair: Okay, please. Mr Cavalier.

Mr Cavalier: Thank you, Mr Chairman, ladies and gentlemen of the committee. I appreciate the opportunity to come here and speak to you, politician to politician. I guess today's the day when you're going to see a lot of this.

The committee is no doubt familiar with the details of the plan, so I'd like to take this opportunity to focus my remarks on five areas that have come under criticism throughout the course of your hearings.

Those five areas are (1) a tax revolt; (2) vacant lands; (3) hotels and tenants; (4) Toronto is different; (5) ungodly haste. I'd just like to run through these issues. I'll be prepared to expand upon them during questions, but very quickly.

On the issue of tax revolt: Tax revolts occur, as we've seen over history, due to two reasons, either because they believe the taxation is unfair or the taxation is too high. No matter what happens today or in the near future with this bill that's before you, there is likely to be a tax revolt in

Metropolitan Toronto. It's only a question of which group it is that will be revolting.

If this plan does go through, we've already had threats from people who see themselves adversely impacted by market value and therefore having to pay more in taxes. You've got two different groups: one that is not prepared to pay its taxes at all and another that's not prepared to pay the increase, and actually a third variation on that theme is the group of people who believe they've been paying their unfair share for far too long and because they don't get their full decrease they're not going to pay their taxes either.

If the plan doesn't go through, ladies and gentlemen, the Pandora's box is already open, and those who believe they're entitled to some relief and don't receive any, we've already had dire warnings of those consequences as well.

Surely the obligation of all levels of government that spend tax dollars and tax taxpayers to garner that money is to ensure that each category of taxpayers pays according to the same rules. Today there are 38 different sets of rules in existence.

The second issue, vacant land: Assessments of these lands are the responsibility of the provincial Legislature and are not within the jurisdiction of Metropolitan Toronto, and I refer specifically to the fact that they're assessed at the same rate as adjacent lands, which has come under criticism from the railways. The segregation of this grouping of vacant land category was a political decision, and it was one that was taken in 1989 and not a new introduction in this most recent implementation plan.

As I see it, those vacant lands categories really have three types of properties within them: corridors—rail, hydro, pipelines; the railway lands—

[Interruption]

Mr Cavalier: It's nice to know Councillor Johnston's here; I don't even have to turn around—and municipal parking lots. That's fundamentally how those three categories shake down. Let me just touch on those three categories for a moment.

The corridors: If you, here in this committee, believe they shouldn't be assessed in the fashion that is being proposed, you must change your rules. These are the rules of the Ministry of Revenue in the assessment division. The decision not to cap these lands was a political decision taken by Metro council. I'd like to remind you all, because some of the criticism that this particular section has been receiving suggests that Metro Toronto is attempting to make itself rich on the backs of the railways, Hydro, the pipeline companies and things of that sort. I just want to take a moment to remind you that this reassessment process truly is revenue-neutral. Neither Metro nor any of the area municipalities or the school boards will raise one additional cent. If we're going to sting the taxpayer, we do it through our budgetary process and then it's divvied up. All we're talking about now is how it's divvied up.

Going on to the railway lands, we've seen great criticism that this increase in taxes is now jeopardizing the development of the railway lands. As a Metro councillor, I'm not going to take the rap for the fact that these railway lands may not be developed. The city of Toronto and the railway have been in long and drawn-out debates for a long time. The reality is that far more important than the rate of taxation are the vacancy rates, and with the vacancy rates we've got in the commercial sector within Metropolitan Toronto, there's 15 to 20 years currently built that can be absorbed. You're not going to see them building those commercial properties. The industrial and retail sectors are in a similar situation throughout Metropolitan Toronto.

The only area where you're not seeing tremendous vacancies within Metropolitan Toronto is in the residential sector. If financing is not available for the railways to go ahead and build that portion of the development, that is the key concern, not what they're paying. Frankly, as a disincentive to allowing those lands to remain, an increase in taxation may very well prove to be most helpful.

Thirdly, on municipal parking lots, that section is currently under review. I am asking this committee, and subsequently the Legislature, to let us deal with that particular problem. I believe we can do it internally and I would ask you not to attempt to correct it at this time through this legislation. I think we can do it. There are a number of options available to us and they are currently under examination.

Touching on the third issue, hotels and tenants—and this is just briefly—the central issue for these groups is the rules that are within the provincial Legislature's bounds, not ours. Metro council is on record as requesting the province to examine and improve the method of assessments for both these categories. Those have been referred, as I understand it, to the Fair Tax Commission. I haven't had an opportunity to check out how they've dealt with it.

On issue four, that Toronto is different, this topic's been further fueled by its threat to secede, but it's based on a suggestion that the city of Toronto is suffering the lion's share of this depression, both economically and emotionally. I would suggest that perhaps they should make that case to the city of St Catharines today. Nevertheless, sticking to Metro, let me assure you that there are significant vacancies in built commercial and retail space all across Metropolitan Toronto. One telling fact is the breakdown by area municipality of our unprecedented welfare case load of 107,500 cases, and still growing, I might add.

The late-breaking bulletin that Ms Poole introduced, I would contend, is not completely accurate. The city of Toronto has a population of 27.9% of the total Metropolitan Toronto population by the 1991 census. They currently have 35.5% of the welfare case load within their area offices. Scarborough, which has 23.1% of the population, currently has 24% of the welfare case load. I would remind you that Scarborough used to have, consistently for the last 20 years, the lowest rate of unemployment by municipality in this country. We now have 24% of Metro's unprecedented welfare case load.

Let me just throw in a third fact. East York, the smallest municipality within Metropolitan Toronto by population, has the highest rate of welfare cases per 100 population, at 8.2. It's a little difficult to equate that for every 100 population they have 8.2 cases. One case is not one person. One case could be a mother, father and 10 children, and I don't have figures that can break that out, but there are 8.2 cases per 100 population in the borough of East York.

All of us across Metro are in this economic mess together. Just while we're talking about the city of Toronto, it's important

to understand that 49% of the commercial sector in the city of Toronto is entitled to a reduction under this plan.

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On the fifth issue, ungodly haste, over the last 23 years Metro has been grappling with trying to come forward with assessment. There have been 13 attempts made to this point in time. While this plan was developed over a seven-week period, at least the figures were first announced September 8 and we dealt with this issue on October 28. The time restraints placed upon Metro council were ones imposed by provincial timetables, not Metro-created timetables.

In conclusion, I wish to be frank. The basic rules that create the framework for this plan are currently provincial policy, and have not only been defended but advocated by each of the parties represented around this table here when those parties were in government. This plan was arrived at and supported by a clear majority of Metro councillors from all political persuasions. No issue has been more publicly debated in the past four years since the direct election of Metropolitan Toronto council.

The debate, often emotional and sometimes irrational, nevertheless was undertaken by a democratically elected and responsible level of government. This legislation before you will allow Metro to put in place a fair and workable compromise to put us on the road to full equity in our taxation base. Please approve this legislation. Don't second-guess us. Don't participate in a hypocrisy that demands municipalities must decide on reassessment and then turns it down because you as the province wish to exercise control.

Allow me to finish with an analogy. This issue is a tar baby. It's fine to look at it from a distance, but if you handle it, touch that creature, it's going to stick to you. This Legislature has more than enough issues on its plate. You don't need this one and you don't need to undergo the duress that many of us have through this process. Without mentioning names, one member of Metro council had to wear body armour for close to a month. Many of the councillors' children were under constant surveillance because of threats to kidnap them. I can tell you from personal experience that the lives of my wife and child were threatened directly to my face in front of witnesses.

I guess the last point I would like to make is that we're starting to watch the tyranny of the irrational. A member of your body, the Minister of Labour, yesterday experienced a fire-bombing of his constituency office. Thank God there was no loss of lives in the process, but as one politician to another, don't get into this. I wouldn't wish this on my worst enemy, let alone my friends, particularly in elected life.

The Chair: Thank you very much for your presentation and we'll go right to questions. I have Mr Owens, Mr Stockwell, Ms Poole. Again, perhaps I could just ask the members if we could keep our questions tight because we are in a bit of a time problem.

Mr Owens: Mr Cavalier, I'd like to thank you for your presentation. As we represent reasonably similar areas in Scarborough, I've had a number of calls from constituents requesting that I support the bill. Just a couple of questions: I'm a little bit confused about your thinking, and it's not only your thinking, but in terms of how the railway right of way section is revenue-neutral.

Mr Cavalier: The overall amount of money we take in remains the same. The rules of assessment by the Assessment Act detail that those right-of-way corridors be assessed according to properties adjacent to them. Frankly, what we are seeing, in my opinion, is the catch-up of 38 years of no reassessment in this process, and that's seeing the kind of impact.

Given the circumstances, we've made a political decision. I suggest that when the railways, Ontario Hydro or the pipelines, which are all involved in these kinds of corridors, when approached by the private sector, if they choose to lease land to the private sector, will charge market rates, and the zoning process then will have to be undertaken, depending upon the particular use. I believe there are some avenues for them to recover increased costs.

Mr Owens: We've had witnesses from CP Rail and from the Canadian transportation union that have indicated that there will—

Mr Cavalier: I'm sorry, I'm having difficulty hearing you.

Mr Owens: There's a lot of noise in this room, Mr Chair. I can hardly hear myself think.

The Chair: Yes.

Mr Owens: I'm not sure if it's the microphone or the volume.

The Chair: It has been harder to hear from that side.

Mr Owens: In terms of the deputations we've received from CP Rail and the national transportation union, it's their view that if the province allows this bill to proceed as is, with the railway right-of-way specifically not addressed, that there's going to be catastrophic job loss. Did they make that kind of representation to Metro council and what was the response from council?

Mr Cavalier: No. Actually, if I may make a personal comment, the railways or the pipeline companies have never had any difficulty finding me or my office when they've had problems. They did not make presentations to either the management committee, which I sit on, or Metro council at that time. As I said during my remarks, the isolation of this group of properties was not a development that took place between September 8 and October 28. It was actually adopted during the 1989 implementation plan. I can only assume that—I won't impute motivation on that.

Mr Stockwell: Give me an example of the hypocrisy that you referred to in your statement.

Mr Cavalier: Specifically, I'm concerned about levels of government attempting to undertake a variety of deeds at arm's length, and yes, it's happening to each provincial government, coming from the federal government, and we've seen it happen from the provincial government to the municipal governments. That's one of the forms of hypocrisy.

Let me give you an example of the other one I find very difficult to understand in this process. When the school trustees in my community of Scarborough brought in 64% pay increases to themselves as an added item under "other business" at the end of their council meeting and the public found out about it, they appealed to the provincial government to intercede. The response was, "This is a democratic, duly elected

government that is responsible at re-election time to come forward and we will not intercede."

While I respect that position—I may not agree with it but I respect that position—I have difficulties now, having been assigned the responsibility by the provincial government to make a determination on our reassessment, having gone through four years of public debate—you know full well; we were shoulder to shoulder in 1989 on this issue—having gone through four years of the most highly debated single issue in Metropolitan Toronto, that we now are confronted with the situation where there are suggestions that the government is not prepared to legislate everything we've asked for, and there are suggestions being made that perhaps this whole package should be opened up and the Legislature should be making modifications in the process.

I just have difficulty with that. Does that suggest I'm not democratically elected or responsible in a regular cycle of elections? I just don't know what message this sends forward. I think it's hypocritical.

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The Chair: Mr Stockwell, does that—

Mr Stockwell: Yes, that's great.

The Chair: Ms Poole, a final question.

Mr Cavalier: I'd gladly respond to your question, but—

The Chair: No, it's Ms Poole.

Ms Poole: I'm going to make five one-line statements and you may choose to respond to any or all of them. The railway rights of way—

Mr Cavalier: Mr Chairman, I'm not sure—

The Chair: I'm sorry, I missed the question because—

Mr Cavalier: It's not a question.

Ms Poole: It will be.

Mr Cavalier: It's a series of comments that I may respond to or not.

Mr Stockwell: It'll end with, "Don't you agree?"

The Chair: Ms Poole, can those be short?

Ms Poole: I said they would be one line each. With regard to the railway rights of way, you said it is the province that must change the rules, which I agree with. However, I would ask you to comment on the fact that it was Metro that did not offer the railway rights of way a cap, which it did for other properties.

Mr Cavalier: Okay, if I may respond, I clearly stated that was a political—

The Chair: If they're going to be a series, can we get them out so that then you can respond to all of them?

Mr Cavalier: Okay. That just means that I'm going to have to write them down now.

The Chair: Ms Poole's going to go very—

Ms Poole: I'm going to go very quickly. Secondly, the railways told us, and certainly the last-minute events of the Metro council decision would lead us to believe it was correct, that they did not even know until after the fact, at the very last minute, that they were not going to be subject to the cap on the railway rights of way.

Thirdly, you've asked, for parking lots, let us deal with it. I would be happy to let you deal with it if there was some sort of guarantee that it would be dealt with. And that's the problem; you're asking us to pass legislation and trust that it somehow will be dealt with.

Fourthly, you mentioned about it being revenue neutral, which is quite true, and complaints that Metro was making itself rich. The complaints I heard were more in the line that you have allowed a shift between classes, which was not supposed to be one of the rules of the game of the reassessment.

Finally, you mentioned 49% of businesses in the city of Toronto were entitled to reduction. I would put it to you that the vast majority of those were very large businesses and the small businesses got hammered out of existence.

Mr Cavalier: Very quickly, let me see if I can respond. Railway lands, no caps: I did say in my statement that it was a political decision to not provide caps for those lands, and, as a politician, I will stand by that decision. Let me assure you that if I had my choice, if I could pick the implementation plan for reassessment in Metropolitan Toronto, this would not be my choice.

But I will tell you, a collective group, that's 20 out of 34 members, came together around this plan believing that fundamentally we could move towards fairness. They would take the political heat, if there was political heat, but they were prepared to go out and collectively sell this program because the greater good was being served. I don't apologize for doing that. That's a political decision. I'm a politician. I've been elected for 10 years now to make these decisions and that doesn't frighten me.

Saying that this is a last-minute process, I thought I had addressed this by suggesting earlier that this separation out, if you will, of these lands was not a creation of this round; it was done in the 1989 implementation plan. We heard nothing at that point and still heard nothing in the process.

I would simply suggest to you, though, if it was the responsibility of governments to seek out everyone impacted by potential changes that would impact their taxes, then I would have to suggest that perhaps you revoke the commercial concentration tax here at the province because there was never any consultation that was undertaken, either by those who were taxed or by those who were having their taxing power scooped in the process.

Ms Poole: The NDP is going to revoke—

Mr Cavalier: Allowing—

Interjections.

The Chair: Order, please. Mr Cavalier has the floor.

Mr Cavalier: I'm sorry, I have—

Ms Poole: That's deflecting the issue.

Mr Cavalier: No, that's not deflecting the issue. You made a statement. You asked me to comment and I'm responding.

The Chair: I'm sorry, we're going to have to move quickly here.

Mr Cavalier: Parking lots, and you are concerned about—when I say, "Don't open up the legislation, let us deal with it internally," I suppose it's a question of trust. I can tell you that we have responded to the time frames and the rules

that have been established by this House and its predecessors and we've always met them, and often the rules have changed from this House while we were attempting to do that.

I can only suggest to you, in a matter of trust—I mean, I can't give you any assurance, but I can show you a track record Metro council and individuals within that council have undertaken. We've always produced and we've produced on time when that's not always been what we've received reciprocally.

The question of a shift between classes: That's an interesting perspective. We have significantly changed the shift between classes, but that was not a rule that was set down. The shift between classes was not a rule that was set down either by the previous government or this one. The rule that was set down was: "You pay for your protection plan internally. Don't expect a grant from the provincial government, as provincial governments in the past have done, to allow municipalities to implement." Other municipalities have received those grants. We were told that we must do it internally, and frankly this goes a considerable distance to eliminating those shifts between classes, to the tune of $170 million that was being shifted from the commercial sector to the residential sector to allow the zero cap on residential under the old plan. That is reduced to $20 million in the whole process and hopefully will be eliminated after this.

Finally, 49% of the commercial properties—that's a fact. You can detail which 49% versus the 51%. I would suggest to you that 49% of the commercial properties are getting a reduction, and it's your assessment system that has determined where that goes.

The Chair: Thank you. As Mr Antonio Lopes comes forward for his presentation and as you get ready to leave, Mr Turnbull has a point of clarification.

Mr Turnbull: No, a very quick question just to confirm. You voted on a motion by Councillor Shea that the provincial government be requested to redress the current assessment that perpetuates inequities between home owners and tenants. The government hasn't done anything about this. Do I take it that you still want them to do something about this?

Mr Cavalier: That was the most recent. Yes, indeed I did vote for that. I've introduced those motions in council myself during the 1989 process and subsequent to our 1989 process, which I not only introduced but voted in favour of as well. The last piece of information I received was that those motions were going to the Fair Tax Commission and that there would be a response. I understand the Fair Tax Commission has reported. I will confess I have not had an opportunity to pick up a copy of that final report because I have been involved in other matters, so I don't know.

The Chair: It's not public yet.

Mr Turnbull: They're stalling the report until this legislation is passed.

The Chair: I'm sorry, we'll have to end there. Thank you very much for your presentation.

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ANTONIO LOPES

The Chair: I apologize, Mr Lopes, from the Metropolitan Separate School Board. If I could, to members, we are at 4 o'clock and we are behind. We're going to have to have questions with one and not multiples or we're going to be here until the wee hours of the night. I'm afraid I'm going to have to be a little more brutal about whether in fact in some cases we will even be able to have questions.

Mr Mills: Hear, hear.

The Chair: I apologize, but we've been trying, I think, to deal fairly with everyone and there have been some interesting lines of questioning and some people from different parts of the area we haven't heard from, but I just wish to underline that if we're to get out of here before 6 o'clock, we are going to need to adhere to a tighter schedule.

With that, Mr Lopes, welcome to the committee.

Mr Antonio Lopes: Merci. Bonjour, Monsieur le Président et tous les membres du comité. Merci pour la chance de venir ici aujourd'hui présenter la position de la majorité des personnes de la cité de Toronto, et aussi même plus spécialement, le système d'éducation catholique à Metro Toronto.

In my rusty French, I'd like to say a few words thanking you, Mr Chair and members of this committee, for an opportunity to present this case before you—

The Chair: Vous êtes le bienvenu.

Mr Lopes: —merci—because I do represent a bilingual board that is the largest one in the country, with an annual budget of $720 million. I am the past chairman of the budget committee and the current vice-chairman, and I had a startling revelation as recent as November 5, 1992, that was presented on market value assessment as a report to the budget committee. As a result, I'd like to bring the information before you.

First of all—and I don't want to belabour what my colleagues have said prior to me—I'm here to discuss the position against MVA as a result of the presentation that was made to the budget committee of the Metropolitan Separate School Board. I also am here as a representative trustee of wards 11 and 12 of the city of Toronto. I have serious concerns for my members, many of whom are blue-collar workers who are going to be hit very hard in their residential tax bases these days, especially as a result of the MVA possibly coming into place.

On the second option, which is the discussion of how this MVA will affect the separate school board, I ask you to note I'd like to discuss the comments for all the members here who don't have the report before them. I'd like to go through the report, discussing and presenting the report as is, prepared by my staff. Any specific details I will have to try to answer to the best of my ability, considering I do not have an auditing or accounting background.

The MSSB received the report from the Metro treasury financial services on October 6, 1992, showing the current assessment and proposed assessment, based on the factored 1988 market value assessment for the public and separate school boards and for their supporters. What you may note as your assessment, if you have the copy in front of you, is that we as the separate school board will see a decrease of $27 million of tax assessment—that's $27,479,672 of tax assessment decrease—whereas the Metro public, that is, encompassing all the Metro public boards, will see an increase of almost $122 million in tax assessment.

This is definitely a serious effect, and it will have serious effects on the Catholic school board, which currently is underfunded. We've had funding awareness programs all year round to present our problems, and we are currently in negotiations with the Fair Tax Commission to discuss possible changes in the funding system that currently we avail ourselves of.

Across Metro, we have that 56.5% of all property taxpayers would get a decrease. This hits us substantially. If you take a look down the list, 76.8% of the units in Scarborough would receive a decrease; 72.4% in Etobicoke would receive a decrease; North York, 63.3%; East York, 59% of the units would receive a decrease as a result of MVA; in York, 55.4% and in Toronto you would actually have an increase to 66.6%.

(1) It affects my ratepayers, especially those who are living in the area, who are mainly blue-collar workers who can't afford it, especially in the current recession.

(2) It affects the concerns that we have as a separate school board in terms of the overall revenue. I'll explain this further as we go on.

First of all, there will be no change in the relative differential between the residential and commercial mill rates, and as a result, the residential mill rate will retain the same 85% of the commercial mill rate. It is proposed that the Metro Toronto public school board and the Metropolitan Separate School Board will each set mill rates to cover their requirements as a proposal of this MVA change. Currently, the MSSB sets mill rates; the public school boards levy a dollar requisition, which translates into separate mill rates for public school purposes in each municipality.

One of the problems is that the date for submitting approved mill rates—and this is really affecting our school board—to area municipalities is recommended to be March 31 to allow for the increase in activity pertaining to the recommended phase-in process of capping. This would cause serious concern.

First of all, this would require the MSSB to set its mill rate on or before March 31 of each year, rather than the current practice of at the end of April. We've tried to meet the demands or the problems concerning ratepayers, concerning funding inequitability. We've attempted, by going out at the end of January and beginning of February, to respond to the concerns of our growing needs and the needs of the ratepayers of the separate school board.

This would only delay the process and effectively decrease the time we have to prepare the statements for the mill rates for the current year, which we so heavily depend on as a granting or money-earning, revenue-generating situation.

The current practice of the MSSB in requisitioning funds for municipalities will not change. Any method of capping or adjusting taxes for a phase-in period will be done at the municipal level and thus will be transparent to the MSSB.

With over 80% of the reassessment program completed in Ontario, no problems were brought to the attention of the ministries of Revenue or Education concerning the school board's share of assessment under reassessment. We also consulted with separate boards in the greater Metro area, which are all on reassessment, and were told that they had no knowledge of being adversely affected. But we are. They actually are being advantaged as a result of this reassessment.

Having analysed the report from the Metro treasury department, the financial services end of it, this is not the case in Metro. Because of the unique situation in Metro, several different factors were used with different classes of property, which resulted in a $94.4-million assessment increase over the current assessment.

Let me point something out. I've often heard—and correct me if I'm wrong—in the press that this will tend to maintain equity within our system. This will allow for disparaging results in various cities in terms of the amount that is paid out to be equilibrated across the board. In fact, this MVA will increase the assessment by $94.4 million. That's a 1% increase. It might not seem much to you, but it will seem quite a lot and substantial to those in need, especially those who can't afford to pay the increase in the MVA as a result of 1988 assessment value.

There are two major concerns for the MSSB. Our residential assessment under the proposed assessment has decreased by $47 million compared to the current assessment. Furthermore, this decrease results in a downward spiral adjustment to our pooling factor since pooling is based on our share of residential assessment. This report does not separate pooling assessment from total assessment. Therefore, the exact shortfall cannot be calculated. Our commercial assessment under the proposed assessment would increase by $19.6 million, resulting in an overall decrease to our MSSB of $27.4 million in assessment generated.

Based on the 1992 mill rates, our loss in residential revenue would be $11,253,210, and based on the 1992 mill rates, our gain in commercial revenue will be $5,520,928, for a total revenue loss of $5,732,282. Adjusting for grant increases which we will receive as a result of losses, the net loss would still be $1,454,854.

I want to give you sort of an analysis of the situation which is a little easier to understand. The reason we are in the Fair Tax Commission is to equalize, to maintain the school boards in Toronto as comparatively equal. However, that's not the case. We are there to try to increase the current amount of money we receive of the corporate tax base. We received approximately 9.5% of the corporate tax base here in Toronto, yet we have about 30% of the kids. This is not equitable. As a result, the Fair Tax Commission hopes to achieve equity.

We're questioning that at this point in time, but the problem exists at the MVA's coming in in January. We are concerned because this MVA will affect us, almost adulterate our position. As a result, if the corporate tax base increases, we will not receive that much money in an increase. But the residential tax, which our board so heavily depends upon, will be adversely affected. We need the ministry to look at this, if nothing more, and see how we will be affected and how the ministry will provide grants in order to stabilize our situation.

This means, first of all, that to generate the same tax revenue on proposed assessment, the MSSB as a unit, as a whole, would have to increase the mill rate by approximately 0.5 mills. It's 50 cents on every $5,000 assessment. It's a serious problem when our ratepayers who are generating revenue for us are seeing us increase our mill rates or having to as a result of MVA, yet the public boards, which are in a windfall, will be able to decrease theirs. I think there are ratepayers, 80% of whom are ratepayers to our board,

who may choose to pay instead to the public board. That will effectively cause the demise of the MSSB financially.

The Ministry of Education calculates pooling factors for school boards. However, the amount of assessment-revenue loss is not known. What is known is that our percentage of residential assessment to the total residential assessment based on the proposed assessment values would decrease, from 20.5% to 19.39%, or a 1.17% differential. Therefore, a loss of revenue from pooling assessment would seem evident; that is, of course, based on the 1991 pooled assessment, the revenue loss net of grant would be approximately $150,000.

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The report indicates a more advantageous position for the MTSB; that is, the Metropolitan Toronto School Board, the public boards as a whole in Metro Toronto. Their proposed residential assessment would increase by $119.8 million compared to the current assessment and their proposed commercial assessment would increase by $2.1 million. In effect, whereas we are decreasing our residential and yet slightly increasing our commercial, the MTSB is increasing its commercial and residential. So we are losing out, in essence. The MTSB is in a negative grant position and it has been for a while. Therefore, this would result in an approximate overall revenue of $34 million on average to the MTSB over our loss of $1.5 million to the separate school board.

To produce the same revenue base on a proposed assessment, they would, as I stated before, be able to decrease their mill rate by 2.3. That's $2.30 on every $5,000 assessment generated. That's effectively a large amount of money when you look at the overall system, and ratepayers, 80% of whom support our system, could take that as an indication to move from our system to theirs.

In Metro under the proposed assessment, the public school residential assessment increases by 2.9% and the separate school residential assessment decreases by 4.4%. As I said earlier, we are going to be seriously affected as a result of this, because we depend heavily not only on grants from governments, from your provincial government, but also on funding from our ratepayers and especially residential funding as a result of the inequity of commercial funding. We hope the Fair Tax Commission will be able to deal with this. Obviously, it won't by the time the MVA is to be implemented. As a result, I'm here before you today to demonstrate this disparity among the school boards.

I'd like to summarize—and I won't take as long as my counterparts who have spoken earlier—by saying that there is a recommendation requiring the setting of mill rates on or before March 31 of each year. This date would be difficult to achieve in view of the timing of the provincial grant regulation. Setting a mill rate, as a result, prior to the release of the current grant regulation could result in difficulties in budget preparation for the MSSB, especially for my committee, of which I'm currently vice-chairman.

Second of all, the implementation of the proposed assessment based on the factored 1988 market value in Metro for taxation year 1993 could result in a minimum revenue loss to the MSSB of approximately $1,454,000. That is based on the 1992 mill rates. As a result, in addition, based on the 1991 pooled assessment, a loss of approximately $150,000 in pooling would occur.

The MTSB revenue could increase by $34 million. To generate the same revenue, as stated earlier, would require us to increase our mill rates by 0.5 mills, whereas the MTSB would be able to decrease theirs by 2.3.

Our recommendations emanating from the committee in November, as chairman of that committee at the time, were that we advise the Ministry of Education of the possibility and the viability of this situation—of the possible loss of funds, shall I say—as a result of the 1988 market value assessment. Moreover, we sent letters to Mr Rae and to members of other organizations and legislative committees to understand that the MSSB will be adversely affected.

I am here before you today not only to speak on behalf of the ratepayers of the city of Toronto, wards 11 and 12—I'm sure of the majority of ratepayers—mais pour toutes les personnes qui sont dans la cité de Toronto, en même temps que le système catholique qui est à Toronto. Il y a beaucoup de problèmes. Nous tenons à faire quelque chose pour les personnes qui sont catholiques and who are ratepayers in the city of Toronto.

Thank you, Mr Chairman. I will accept, obviously, cordially, any questions.

The Chair: Thank you. That's a very full brief and I regret that we aren't going to be able to have any questions, but you have provided a great deal of material and I know there's one Education critic sitting around this table who will undoubtedly want to raise some questions about what you have said.

Mr Perruzza: Mr Chairman, on a point of order: I think it's very important to get this on the record. Is he here in an official capacity via a board motion representing the board, or is he here as a trustee for the city of Toronto?

The Chair: Okay, I'll accept that—

Mr Perruzza: Please. You didn't read that into the record.

Mr Lopes: Right. I'll read this into the record. I am here as an official trustee of wards 11 and 12 of the city of Toronto and have discussed with the director of education that I will be presenting this to this committee. I am not here—

Mr Perruzza: As a trustee, but not as an official representative.

Mr Lopes: As a trustee, not as an official, no, because we have—as a board motion, we have submitted this information to the members of Parliament and it would be redundant for me to do so.

The Chair: Thank you very much for your submission.

JOAN KING
PAUL SUTHERLAND

The Chair: I call Joan King and Paul Sutherland, who are making a joint presentation. Welcome, both, to the table. You've been very good. I know you've been sitting there for a long time and I apologize that we're an hour late. Please go ahead.

Ms Poole: Mr Chair—

The Chair: Very briefly; we really have a time problem.

Ms Poole: Could I ask the parliamentary assistant if we could have—

The Chair: Could we do that at the end of the submissions?

Ms Poole: Perhaps we could have something in writing about the previous presentation and whether this is the dilemma and how it might be resolved.

Mr Mills: I've taken note of the concerns expressed by that gentleman and the ministry will provide some written comments on that on Monday.

Ms Poole: Thank you.

The Chair: Please go ahead.

Ms Joan King: I'll start. I represent Seneca Heights at Metro council. The boundaries, so you'll know where we are: from Bayview Avenue over to Victoria Park, the 401 up to Steeles. It comprises two North York wards, wards 13 and 14, and Paul Sutherland with me is our North York councillor from ward 14.

To give you some indication of what this package means to the residents in our area, in terms of taxes going up, 13% of the residential properties will go up, 40% of the commercial will go up, and 18% of the industrial will go up. Of course, 87% would come down in their taxes, residentially, 60% of the commercial would come down and 82% of the industrial come down. So I think you will probably figure out which side of this issue we're on.

I just thought I would try to discuss a few myths and misconceptions that I believe have come up throughout this debate. The first one is that market value assessment is something new that Metropolitan Toronto is forcing on the citizens. That's just not true. The 1940 market values are what we have today. Our taxes are based on market value. I really relate to 1940 since I was born in 1941. Let me tell you that things have changed. I'm now a grandmother. Things have really changed and if you don't address that, if you don't keep it up to date, then you get into trouble.

I think one of the members asked, what is the impact? Just think, if you had a property and your taxes were $1,000 or if you had a property and your taxes were $5,000, and each year some government put them up 10%. For one that's $100, for the other it's $500 and then that gets compounded and compounded. So then the longer you leave it—that's a lesson we've learned—the worse the problem becomes.

Another myth is that the home owners in the city of Toronto will be forced to move to the suburbs where the taxes are cheaper. I ought to tell you a couple of personal stories. My tax is $6,500 plus a little for my bungalow, three bedrooms on the ground floor and two in the basement.

My son, a young doctor studying to become a surgeon, decides he's in Toronto city for a while and he's going to buy a house. He goes to Cabbagetown. The first house he looked at three weeks ago, on the market for $239,000, and the taxes, folks, are $649, period; that's it. So I asked him, "Well, that's a fluke." In Cabbagetown where he has looked in the last three weeks, they range between $1,000 and $2,000. I thought, "I've got to get the figures for sure," so I looked them up today just to give you an example.

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A house at 138 Seaton Street's market value according to the 1988 assessment was $314,000. They are paying $1,300 in tax. If we were to go full way, they would be going up to $2,900, but we haven't said that. They're going to go up 10% in two years. They would be paying $1,430.

In our ward, the backyard is Highway 404. At 23 Baroness Crescent, with the 404 for their backyard, their house is valued at $314,000. They are paying $4,000. They would go down to $2,900, but no, we were not going to do all that. By the time we're finished this, they'll be paying $3,400. So at one house they'll be paying $1,400, the other $3,400. Do you really think they're going to run from Seaton Street up to North York?

Commercial property, restaurants: There's one at King and John, which I visit frequently because it's right next to Metro hall, Marcel's Bistro: They're paying $11,000, and with a 25% increase, they'll be paying $13,000. Up in our community, Consumers Road and Victoria Park, George's: He pays $18,000, and when we're all finished, he's going to come down to $16,000. Let me tell you, the guy down there at King and John has the Royal Alex, the symphony, Metro hall, the SkyDome. At noon hour and at night it's full. Up at Consumers Road and Victoria Park it's not full.

Another myth: It costs much more to service the suburban properties. I mean, they're huge properties; it really costs a lot to service them. Of that tax dollar, 75% is going into education and social services. The water and sewage are on a separate rate. So we're talking about maybe the TTC service? On Bayview Avenue, in rush hour, one bus every 20 minutes; that's the service. I think we have to be realistic about it. It really doesn't cost much more to put a road up in the suburbs than it does downtown.

Another myth: Market value reassessment's going to cause suburban sprawl. Quite the reverse. Those properties on Yonge Street that have been reassessed and have a significant increase are going to have to address it. Instead of from Eglinton down to Davisville on Yonge Street having one little store with maybe one flat on top of it, those are going to have to change. We should intensify; that's where we should be having our population growth. And yes, they should have three or four apartments on top. That's what will happen, because the property values are going to insist that kind of intensification happens.

You all know old Willowdale, close to Yonge Street: huge properties with little houses. That can't last any more. We need to have in that area the kind of town house development that should be there.

If you really want to be concerned about urban sprawl, look at how you manage to grant the education in York region and Durham and Peel. That's where the big costs are, and they're getting super grants and Metro isn't.

There's another myth that Metro council didn't listen to the public. We sure did listen. We listened very carefully and we heard the concerns and we responded. What we came up with was a package that said, "We're going to phase in, and we're really going to keep that increase under control, 10% for residential, 25% for commercial and industrial." That was a real response.

We also said, "We'll try to keep it within the classes." That's why we can't deal with the railway lands. In that class there is nothing that's coming down, so there's nothing to help remediate the increases. We did shift, and maybe we shouldn't have. To protect the residential, we did shift $20 million out of commercial to help the residential. But it's an interim reassessment plan. We are anticipating some good reforms coming out of the provincial government. We hope they will, but we know it takes a lot of time.

Please look at the paper I've put in front of you carefully. People are not happy with what we've got. Look at it. In the city of Toronto in 1987, properties with a total value of $149,000 were under appeal. Six years later in the city of Toronto, $2 billion in property value is under appeal this year. Across Metro this year, $4 billion in property value is under appeal: 29,000 units. Within the city of Toronto itself, there's a backlog. Your assessment office has not been able to process them. There's a backlog of 14,000 in the city. I asked the treasurers of each city, how much money are we going to lose this year from appeals? Their answer to me was $67.5 million. That just goes back on, in that inequitable system we already have.

But please keep these figures in your mind. We cannot postpone this. We cannot delay it. We have to take that step forward, because your assessment office can't deal with the appeals. They cannot justify figures based on 1940 values. They have to have them updated. That's the one thing that will happen: They will be updated. Then, any appeals will have to be really specific as to whether that was right in 1988, not 1940, which they can't defend.

I urge you to put it on our backs. We accepted it; we did it. Just let it finish. Continue to look at your reforms; get those reforms in place. But in the meantime, this is the first step, and it's a step in the right direction.

Mr Paul Sutherland: Mr Chairman and members of the committee, I'll be very quick. Councillor King was kind enough to let me tag along with her time, so I want to use just a small part of it.

I brought forward a motion to North York council a few months ago to reverse its previous decision in opposition to MVA and support market value assessment. I was pleased that Metro council did adopt this plan. It was a very courageous step, and it's a good one. Perhaps it didn't go as far as what we'd like to see in North York and Scarborough, because we feel we should have been even further towards real market value than the compromise.

Certainly I've been impressed with the No Way MVA campaign. If we had adopted pure market value assessment, I can understand why they'd want to be here looking for a compromise. But it's an incredible compromise that's been reached here, where there have been amazing benefits given to those who would have been most seriously impacted by the negative aspects of this. Quite frankly, I think their position now is blown way out of proportion.

We've had the same situation in North York. There are people in the city who are going to be going up under MVA, and there are small businesses along Yonge Street that are going to be hit by MVA. In fact, there's one restaurant very close to city hall where we are whose taxes are going to go from $5,000 a year to $25,000 a year if it were fully implemented. Of course, they were in a panic about the $20,000 property and business tax increase.

However, two and a half miles along to the east of them on Sheppard, there's a business there—Councillor King just referred to another very similar restaurant—which has lower prices for its meals because of its location and which is already paying $25,000 a year in property and business taxes. You have to remember that there are people and businesses out there not only paying their fair share but considerably more than their fair share.

This restaurant is paying $5,000 a year. Let's say we gave them the full impact. What we're talking about is a salary or half a salary or a third of a salary, depending on the type of business it is, and look where they're located. The city's constructing a performing arts centre across the street that's going to bring $100 million in benefits to that area. You have to remember that when you're located downtown, near the Pantages Theatre and different places, businesses there are benefiting from those locations and therefore they can usually get higher prices for their food and they are usually busier than other restaurants. And those other restaurants and small businesses are already paying those kinds of taxes.

Under this plan, that $5,000 rate will go up by $1,250 over three years. That is not a dramatic increase, nor will it put anybody out of business; that in itself will not put it out of business. The previous government's change in health tax raised the taxes for that same business considerably more than that. It would have been probably in the $5,000- to $7,000-a-year range. This is not the tax that's going to put them out of business. It's simply not fair for small businesses and those who are paying considerably less tax than anybody else in a comparable property to complain about this compromise. There's no merit in it, no basis in it.

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There's an argument that it's the wrong kind of system. I've heard the argument at council. It was full of people opposed. There is an argument that we should have a different kind of system. By all means, explore it and look into it, but adopt this, because this moves you at least somewhere fairer than where we've been. And when you're moving on a process of fairness, if you want to bring in something over time—after all, the assessment aspect has been with the province for over four decades now. But before you took it over, Metro was moving it up regularly every four years. You have it, you've let it go that long, and now here's Metro coming back, saying, "Look, we are going to solve the problem." So I don't think you should tamper with it. They've done an incredible process to get that going.

I want to point out something else too. There's been a lot of talk about the recession and the impact that has on small business and that this is the wrong time. It's true that the recession's there and it's impacting on everybody, including the businesses that are already paying higher than their fair share of taxes or even their fair share of tax.

I know of many businesses right now—I can tell you of one in particular that just got a 10-year lease from a landlord with four years free; a 10-year lease, four years free. What that means is that their cost of doing business has dramatically dropped because their rent has dramatically dropped. If their taxes go up, which is at the maximum 25% over a

five-year period towards a market value assessment, many businesses have already achieved substantial reductions in their rental costs from the landlord because of the economy itself. So I turn the argument around that this is probably the best time to implement the compromise plan Metro's brought in.

I'll leave it at that. I would encourage you to support what's there and not to interfere with what Metro's done, because it is a very, very good plan and one that was very difficult to work out.

The Chair: Thank you very much for your presentation. Again, I regret that we don't have time for questions, but there was a lot of meat in there and we'll look at that carefully. Thank you very much.

PAUL CHRISTIE

The Chair: I'm now going to call Mr Paul Christie. On your schedule it says John Adams, but there's evidently been a skilful trade, so Mr Christie is coming, I don't know, on waivers or for future consideration or something. Mr Christie, welcome to the committee, if you'd please go ahead and make your submission.

Mr Paul Christie: Thank you, Mr Chairman. I'm here, I suppose, in a similar role to many of my colleagues from Metro council, particularly from the city of Toronto, where the impact of the proposition that's before you is greatest.

I would hope that the members of the social development committee and the Legislature, for that matter, keep their eyes on the ball in term of what's important in the current context, the current economic context in particular.

It strikes me that what this community requires at this point in time, as do all communities, is a significant effort at economic development. It astounds me that the Legislature would be giving consideration to an outrageous proposition as this put forward by Metropolitan Toronto which really acts to the significant detriment of my constituents, particularly commercial constituents, in terms of their ongoing viability.

I represent a number of strip commercial business improvement areas, some of them that I suppose many of you would know, the Beach in particular, where by virtue of the proposed increases, virtually everyone will experience a 25% increase in their commercial property taxes over the next three years as well as their businesses taxes.

Notwithstanding the comments of the previous speakers, who said it's not this tax that going to put them out of business—that it may have been the health tax or it may have been the GST or it may have been the PST or it may have been a whole range of taxation measures, it may have been the recession itself or a number of consequences of actions beyond their immediate control—the fact of the matter is that all these things compound one another and at some point something is going to put them out of business, whether it was the 5% in 1995, the 10% in 1994 or the 10% in 1993.

Mr Perruzza: The GST.

Mr Christie: Absolutely, no question. I agree with you. All those things compound, and this is another compounded tax, another 25% that you're taking out of the pocket or, for that matter, Metropolitan Toronto is taking out of the pocket of the small businessman.

In Metropolitan Toronto, or the city of Toronto more particularly, when you take the money from the commercial sector in large measure and pass it on to residential constituents, you're not going to have offsets in terms of economic development. The individual job that this 25% increase in tax represents to a small businessman in my ward is not going to be replaced when you give 5% or 10% to a residential constituent in one of the other area municipalities. I think that's inescapable. I hope you would recognize that there is a very significant detriment to economic development through this initiative.

The other thing that's happening is that there is a very punitive burden being assessed on people for whom the opportunity to address it by way of increased revenue is frankly impossible. I'd like to refer to a number of organizations throughout Metropolitan Toronto, all of which have increases in excess of 25% and by virtue of that will have 25% tax increases over the next three years.

The Black Creek Community Health Centre would have a 47.25% increase, if full market value were to be instituted; the Kids Say No Drugs Organization in North York, 113% increase; Epilepsy Ontario, 53.96%; the North York Crisis Pregnancy Centre, 237% increase; the Ontario Humane Society, 175%; East Metro Youth Services, 39.9%; the Canadian Cancer Society in Scarborough, 928%; the Canadian Macedonian senior citizens centre in the borough of East York, 59.6%; Junior Achievement of Canada, 344%; the Lakeshore Immigrant Aid Centre, 68.49%; the Friends and Advocates Centre in the city of Etobicoke, 32.9%; the Navy League of Canada in York, 180% increase; the Eritrean Canadian Association, 46%; the Boy Scouts of Canada in the city of York, 68%; Tools for Peace Inc, 123%; the National Ballet of Canada, 176%; the Academy of Canadian Cinema, 425%—and the list goes on and on.

I know it's trying to listen to all the names, but the fact of the matter is that all these people will be receiving increases in the magnitude of 25%. All of them are recipients of grants from Metropolitan Toronto. I sense that most of them would be recipients of grants from the province of Ontario. By virtue of this initiative, there is no offset short of coming to us and to you for money to make up these taxes. I don't think any of us, in rationalizing what we do each day, would be proud to say that we're proposing to increase the taxes of Kids Say No to Drugs in North York.

I hope, Mr Chairman, that the members of your committee would not only give consideration to amending Metropolitan Toronto's proposition in a way that protects people who have no protection for themselves, but would keep their eye on the ball in terms of economic development, because that's the game we're playing. The game today is not scoring a touchdown for our constituents in terms of reducing their residential property tax, because the fact of the matter is that if we continue to add punitive burdens to the commercial sector, those residential taxpayers are going to pick up the slack and the consequence for them is going to be much greater than if we had a balanced system, a system that reflected some basis of user pay.

I know that previous representations before your committee have considered alternative forms of tax and I really hope that when you address this it is a matter of economic development,

what's in the continued interest, not the parochial political interest of people who want to assure their re-election by giving a 10% reduction to their residential property taxpayers.

With that, I close my remarks. I thank you for the opportunity to be before you. Unfortunately, I don't have a written submission at this point, although I will make it available to Mr Arnott prior to the close of the committee's procedures.

The Chair: That's fine. Of course this will go into Hansard as well, so we'll have those remarks. Thank you very much. Again, I just regret that because of the time we have to move on.

Mr Christie: I understand. Thank you.

1640

PETER TABUNS

The Chair: I call now Peter Tabuns. Welcome to the committee and please go ahead.

Mr Peter Tabuns: I want to begin by saying that I understand from personal experience the fatigue that sets in after listening to hours and hours of deputations, so you have my sympathy.

I'm sure that you've heard many eloquent presentations on the benefits and losses that arise from the imposition of market value assessment and I imagine that a number of you have probably gone through market value assessment in your own communities. Some of you may be facing a second round of reassessments later this decade. You're certainly aware, then, of the wrenching impact MVA can have on a community.

The city of Toronto has been a symbol of prosperity in this province for a long time and I don't think that it's going to generate much sympathy in the rest of Ontario, particularly from the areas that have already gone to MVA. So I'm going to speak to you today not to ask for any sympathy for the city of Toronto but to present the case for your interest in blocking market value assessment or for extending the proposed caps to all classes of property.

Simply put, the imposition of MVA, even of this interim plan, will have repercussions throughout the GTA and perhaps throughout the province. In light of Metro's failure to carry out a full economic analysis of the impact of this move, we are heading into risky territory. Essentially, you will be asked to make a decision that throws the dice for the economy of this region and this province. Canada hasn't done well recently with dice-throwing.

There's no question that the direct impact on residents of the city of Toronto will be greater than on other people in the region. However, people who work in Toronto come from all over the GTA. Every morning and every evening, buses and cars on our roads and trains on our rail corridors are loaded with people who make their living in Toronto. These are the people who bring wages and salaries home to Oakville, Hamilton, Oshawa, Whitby, Newmarket, Mississauga and elsewhere that help fuel those local economies. The devastation or undermining of the Toronto economy will not be some remote event for the people of the GTA who work in Toronto; it will be a direct hit on their wallets and on the economies of the people who may not consider Toronto home but who do consider it their workplace.

The first point that I want to note will be the impact on the potential development in Toronto's railway lands. I gather that you've heard presentations on this in the past. As our mayor has said, development on 90 acres of downtown Toronto will be imperilled by this action.

The demand that would otherwise exist for steel made in Hamilton, for instance, for aggregate, for paving material, will all be put into jeopardy. Direct jobs that would be generated in this region for construction workers and for manufacturers will be at risk.

There's no need to remind you of the employment problems that face our workforce in this region. Action to reduce employment and to reduce demand in this area will not be well received. Your responsibility to provide economic opportunity for your constituents will not be well served by taking action that will jeopardize this development.

The film industry in Ontario is centred in Toronto. This industry, according to our economic development division, brings hundreds of millions of dollars a year into this region. Currently, the industry is operating at capacity and, like other regional industries, employs many people from outside Toronto.

Toronto's film studios have been successful in attracting American productions for a number of reasons, not the least of which is that there's been a concerted effort by the actors' union, by the technicians and by the studios themselves to freeze prices, to be able to guarantee Hollywood producers a flat line for a number of years. They've been successful at doing this, and over the past few years obviously their efforts have paid off in terms of good business. However, we're just about to see very significant tax increases for the studios on Eastern Avenue in Toronto that provide the backbone for film production in this city. This is where film crews go after they've done their location shots in the areas around Metro; they come back to those studios.

The question we have to ask ourselves is, will those studios survive? Will they be able to pass on the costs without driving away foreign filmmakers? Will people throughout the GTA who depend on the film industry suffer increased unemployment if the studios become uneconomic and no longer function as a magnet to pull new business into the region? Nobody knows. As I've said before, no economic study was done on the impact of the plan. Once again, we are gambling with the economy and jobs of this region.

Throughout Ontario, businesses and residents are reeling from the effect of high electricity rates. Governments and businesses are looking at rates that are making Ontario uncompetitive in comparison with surrounding jurisdictions. Surely we're all concerned that hydro rates not be raised unnecessarily.

Unfortunately, the imposition of MVA on Hydro properties will further burden the utility and the ratepayers not only in Toronto but across the province.

Earlier in November I saw a preliminary report indicating that the extra $60 million a year that Hydro will be paying could result in increases estimated at 50 cents per household per month across Ontario for residents—not a lot per household, that's quite true, but no calculations have been done to show what the impact will be on businesses and on industry.

In supporting MVA, MPPs will be voting for higher hydro rates for their constituents at a time when their constituents have made it very clear that they want a break on these increases.

Earlier this week, our mayor reported to you that the increase in taxes for the railway corridors, $13 million, could drive up fares for GO Transit riders by $240 per year per rider.

There are a number of possible outcomes to this particular development. On the one hand, GO Transit could swallow the increase and not pass it on to passengers. The question would then be, who picks up the tab? Will it result in layoffs at GO to balance the books? Will it mean pressure on the provincial treasury to put more money into the operation to cover this debt? Thus, everyone in Ontario gets to further contribute to financing mass transit in Metro Toronto. I don't think that's a popular idea outside of Metro. Job loss, pressure to increase the deficit, higher taxes for the rest of Ontario: These are not pleasant alternatives.

On the other hand, the increase could be passed directly to commuters from around the GTA who travel into Toronto every day. What will they say about their provincial politicians who allowed a bill to go through that drives up the cost of their getting to work? For many commuters, this may be the deciding factor in switching to auto transportation. It wouldn't take many riders to switch to make our already heavily travelled roads into something more like parking lots and to make mass transit even less economical.

The essential points I want to make are these:

One, the imposition of MVA in Metro Toronto will mean a transfer of funds not only from Toronto but from the GTA and the rest of Ontario to the suburban areas of Metro Toronto and, as councillor John Adams will outline later today, also to some of the biggest corporations in Metro.

Secondly, MVA will undermine employment for the hundreds of thousands of people in the GTA who depend directly on the businesses in the city of Toronto for their livelihood.

Thirdly, taxpayers outside Toronto who care very little about whether or not Toronto gets hit with a big tax increase will care about the spillover effect on their hydro rates, their rail fares and their jobs.

Lastly, we don't yet know all the impacts of MVA on the regional and provincial economies. Every day some new impact of the tax is identified. A decision to proceed with the plan is a gamble with our economy at a time when people want certainty and relief from the difficulties they're facing.

I urge you to stop the plan. If you're not able to or not willing to stop it, I urge you to impose the caps that have been proposed on all classes of property so that you can mitigate the impact of this plan on your voters.

The Chair: Thank you very much for your full presentation, and again I regret that time is of the essence at this point.

Mr Tabuns: I understand.

The Chair: We appreciate your coming here today.

1650

STEVE ELLIS

The Chair: I now call on Steve Ellis. For the others in the room, we'll have Steve Ellis and then John Adams and then Wanda Liczyk. We again appreciate the fact that you've all hung in. Mr Ellis, if you would, please go ahead.

Mr Steve Ellis: Mr Chairman and committee members, I happen to live in and represent an area of Toronto. I'm on Toronto city council with ward 9 in the city of Toronto. This is a little plot in Metropolitan Toronto that by and large is indicative of many areas in this city. A large portion of the residents of ward 9 are working-class people. They've worked long and hard to pay for their homes. The businesses within ward 9 are small ma-and-pa operations for the most part, with some small industries and some bigger commercial enterprises, but we're not talking about major, blockbuster bank towers like downtown. This is just a typical neighbourhood that I'm sure you people represent in your home ridings.

It has been suggested here and elsewhere that the residents and business owners in the city of Toronto are not paying their fair share within Metropolitan Toronto. The solution to this problem, some say, is to determine the fair value of homes within Metropolitan Toronto and then determine municipal taxes based on these figures. With that in mind, provincial officials set out to find those figures and, somehow or other, they came up with this collection of figures. This is for ward 9 in the city of Toronto. Somehow or another, these figures are supposed to represent the value of homes in my area. Some are accurate and many are not accurate, but that is what our assessment is going to be based on.

Some of these figures are so far from reality that I'm surprised that this book, the Metropolitan Toronto run for the whole city of Toronto, isn't up for a Governor General's award for fiction, because quite simply they've missed the mark on many properties. Unfortunately, that will have to be the reality for the next number of years while people try to appeal their assessments.

Generally speaking, the residents in my ward face more or less the same problems that the people throughout the city of Toronto face. Unlike the suburbs, with their more-than-generous house lot sizes, the houses in my part of the city in particular suffer from a chronic parking shortage. The smaller Toronto lots in my area do not allow for large driveways. They don't allow for a lot of parking. They don't allow for a lot of activity that many people in Scarborough, North York, Etobicoke and indeed Oshawa and perhaps Sudbury and other places are able to enjoy on their larger lots.

My own home, for instance, has a 15.5-foot frontage on an older street. I have a post stamp front yard and a post stamp backyard. The argument goes that a home the size I have on a 15-foot lot doesn't draw the same amount of services that someone's house on a 45-foot lot would have. But I'm not here to reiterate; I'm sure a lot of other people have already made that point.

This time that's allotted to me is a short amount. I could go further into detail with the stresses that we face living in an inner-city and an urban setting. But the point that I'm trying to make here, and that many other people before me I'm sure have tried to make, is that the city of Toronto within Metropolitan Toronto has been paying more than its fair share of taxes for a number of years.

The people of Toronto may take credit for providing a lot of the tax funds that built most of the infrastructure of some of our Metropolitan Toronto partners. Indeed, in 1953, when

Metropolitan Toronto was formed, large areas of what is now Scarborough, Etobicoke and North York were farmers' fields. Where did the money come from to pay for their schools, sewers and streets? It came out of the good old city of Toronto.

I get a little bit irritated when I keep hearing from the burbs that the city of Toronto has been ripping off Scarborough or Etobicoke for years and years, when the fact of the matter is that if it wasn't for the city of Toronto we'd still have fields there.

Mr Perruzza: That's called history.

Mr Ellis: That's reality, factual reality. Some would say it's better off having fields there.

In any event, Gordon Mills, the parliamentary assistant to the Minister of Municipal Affairs, David Cooke, stated unequivocally less than a week ago: "Metro will not end up with full MVA by default. Nor can Metro move to full MVA by itself." By implementation of this plan without amending the point-of-sale provision, this will lead to full MVA for a large number of homes throughout my area and other parts of the city. Quite frankly, the minister and the minister's parliamentary assistant can't have it both ways, to quote the honourable Dianne Poole. It appears that this is what this government's trying to do, have it both ways, and you just can't have it that way.

Another historical note: The honourable member Mr Perruzza said, "That's history." Not a lot of people know this, but the work of bank robbers helped to spur on the drive to bring Metro into being in the first place. Apparently the Boyd gang and other gangs back some years ago, some ingenious thieves, would rob a bank in East York and then would use the getaway route to get them into Toronto or what was Scarborough. They would cross jurisdictions and it would cause difficulties for the little police forces, so there was terrible confusion. That was one of the rationales for maybe its being better to have a Metropolitan Toronto police force to police the whole area.

It's interesting enough, but this same formation of Metro which was, by this bank robbery—it's quite ironic that now this new-sanctioned tax robbery committed against Toronto by Metropolitan Toronto may lead to the breakup of the Metropolitan union. I find that quite ironic. Indeed, many of us feel overgoverned and many feel that Metropolitan Toronto has long outlived its usefulness and it's time perhaps to look at disentanglement and look at other areas to deal with this massive problem.

I would respectively submit and seek that this government show some leadership and invoke true tax reform in Metropolitan Toronto and not this abomination that's just a disguised form of market value assessment.

Thank you very much.

The Chair: Thank you very much, Mr Ellis. As one who remembers the Boyd gang as a kid, it's good to see those historical references. Thank you.

Mr Ellis: Thank you for the courtesy here. I've had much warmer receptions at Metro hall, and I thank you all for your decorum here. I did feel the oppression of Metro hall—

The Chair: Thank you very much.

JOHN ADAMS

The Chair: John Adams, please.

Mr John Adams: I thank you for the opportunity to address the committee. I'd like to say that I am a member of Canada's tiniest minority group, someone who was born and raised in Toronto who is still living and working here and proud of it.

A year ago I was elected to serve on Toronto city council. I've been thinking about the best use of the 15 minutes available to me, and I am going to do it this way: first, to provide a context by pointing to an interview with Premier Rae, which is a front-page story in today's Toronto Star; second, to use, with the assistance of the media services of the Legislature, a videotape recording of comments made by another proud Torontonian and noted author and urbanologist, Jane Jacobs, who is travelling overseas at this time and therefore cannot be here, and who is also one of my own constituents; third, to offer reasons why the province should not act merely as a rubber stamp, perhaps the most expensive rubber stamp in the history of Ontario, and should consider instead the Metro MVA plan on its merits or lack thereof; finally, to identify the really big winners under the Metro council/Ontario Ministry of Revenue version of MVA.

First, today's Star reports as front-page headlines that Premier Rae is "Facing Tough Choices" and "Taxes to Rise, Rae Warns." The story quotes the Premier saying, "You have to make sure that the taxes you introduce don't slow the economy down and don't discourage investment and don't discourage economic activity." I agree with Mr Rae on the principle that taxes and tax policies are very important to the economy.

Now let's hear from Jane Jacobs, who is the author of Economy of Cities, Cities and The Wealth of Nations, and The Death and Life of Great American Cities. This videotape was taken in the Queen's Park media studio at a news conference held approximately two weeks ago by a new and growing non-profit organization called Save our City: Stop Market Value Assessment, of which I am a founding director.

Now for Jane Jacobs.

1700

[Video presentation]

Mr Adams: I have a couple of other points to make, but I just want to mention that at this news conference Colin Vaughan, a political reporter well known to everyone in this room, asked a rather interesting question about the fact of these public hearings starting, and he stated an intention of Minister Cooke to have it over and done with in a couple of weeks and the law would be in effect before the end of this calendar year. Mr Vaughan said: "What are we going to do? What are these people at this news conference proposing to do?"

I'm filling in about 30 seconds while the media technical people in the studio are doing a fast-forward to the moment where Jane responds. If I have my visual cue signals right, I think we can now roll that answer to Mr Vaughan's question.

[Video presentation]

Mr Adams: Thank you in the media studio.

I thought you would all want to—

Interjection.

Mr Adams: That's right. The other thing I want to say very briefly is some additional reasons why the Ontario government and the Legislature, this committee, should not rubber-stamp

the Metro interim market value scheme. I think through these hearings this committee and ministry officials and Metro officials are learning about some of the surprises and unanticipated consequences of the half-baked Metro scheme cooked up as a last-minute political compromise. We are all discovering more negative implications almost daily.

Let me tell you about another one. This concerns the full MVA tax hit proposed when a family buys or sells a single-family home or a duplex. Metro says it will provide one exception for point of sale if the sale results from the death of the owner or spouse of the owner. This is a decent, humanitarian intention.

But what about the implications when there is a marital breakdown and the family assets are, under our law, to be divided equally? What are the implications when the matrimonial home is to be sold as part of an equal division of the family assets in the case of a divorce or a separation? The full MVA tax hit will reduce the value of such a home, and both the man and the woman, and any dependent children, will be the poorer for it.

1710

My final point, if time permits, Mr Chair, is that we've heard a lot earlier on. I got sick and tired of just hearing about losers under Metro MVA and I frankly smelled a rat. So I asked the computer people at the city of Toronto to run the tape in a different way, once we finally got the tape. I said, "Give me the list of the winners." I have in my hand, by area municipality, the list of those people and organizations who stand to gain more than $25,000 by way of tax decreases upon full implementation of Metro's MVA.

I'd just like to say the biggest winners are not the residents of certain suburbs who have been led to believe they can expect tax decreases of $500 a year or more. This computer printout shows that the single biggest winner is located in downtown Toronto at 290 Yonge Street, where the T. Eaton Co expects a 44% tax decrease, albeit a tax decrease under full implementation, or a $4.2-million decrease on one piece of real estate, and the Eaton phenomenon is true in Scarborough, it's true in Etobicoke, it's true in North York. The Yorkdale shopping plaza in the good city of North York is owned by a real estate developer known as Trilea Centres Ltd, which is, I understand, a joint venture of Trizec and Bramalea companies.

The Trilea offices at Yorkdale pay this year, according to the Metro tape, approximately $388,900 in property taxes. Under the MVA scheme, if fully implemented—granted, based on the Ontario Ministry of Revenue methods and statistics—these Trilea offices will pay only, are you ready, $18; from $388,000 to $18 a year according to the Metro-Ministry of Revenue tapes, on those offices, their corporate and their mall management offices.

What is really going on, with all due respect, under the Metro council-Ministry of Revenue interim MVA scheme?

The Chair: Thank you very much for your presentation and also for the tape of the interview. I now call our last witness for the day—

Mr Stockwell: There are no questions?

The Chair: No, I'm sorry. We're really—

Mr Stockwell: Not even a brief one?

The Chair: Many have asked and if we get started, I'm afraid we're in trouble.

Interjection.

The Chair: Mr Adams I'm sure will be around.

Mr Stockwell: I just want to ask the councillor if he's read Jane Jacobs's book and subscribes to all her planning theories, because I have a few that I'd be happy to put forward.

The Chair: I'll let you two discuss that later, but I must call our next witness.

Mr Adams: I agree with her on this point 100%.

Mr Stockwell: There are a whole bunch I'm sure you don't agree with.

WANDA A. LICZYK

The Chair: If Wanda Liczyk could please come forward, and please correct me if I did not pronounce your name properly.

Ms Wanda A. Liczyk: It's Wanda Liczyk.

The Chair: I'm sorry.

Ms Liczyk: Nobody ever gets it right at North York; they just call me Wanda.

The Chair: At this late hour, that made me almost think of a film, but I won't get into that. I want to thank you for coming. I know you've been waiting patiently because we are running a bit late, but we do appreciate the fact that you took the time to come down and make your presentation. Please go ahead.

Ms Liczyk: Mr Chairman and members of the committee, my name is Wanda Liczyk. I'm the commissioner of finance and treasurer for the city of North York, which is the second largest city in the Metropolitan Toronto area that's going to be affected by market value. I'm here basically out of a sense of frustration and I'm looking for this committee to seek some fairness and put some certainty into the bill and to eliminate some bureaucracy.

I have a written brief that I had faxed to the clerk a couple of days ago, which I believe is either being distributed or will be so. I'm not going to go and read every single line of the brief; I just want to sort of highlight for you what some of our main concerns are.

There was a task force that was set up almost two years ago of all the area treasurers to study implementation of market value assessment. For the last six to eight months we've been asking Metro staff and provincial staff for draft copies of the legislation so that we could have a chance to read through it and make some comments because the area municipalities are the ones who are actually doing the tax billing and collecting. Basically, we know all there is to know about sending out that rotten little tax bill that everybody loves.

We did not receive a draft of the legislation until Tuesday, November 10, and we were given 24 hours to make comments on this legislation, which at that time was 45 pages long. Unfortunately, that was not enough time, I believe, to really give this bill a lot of due consideration, because it will be affecting quite substantially how we're going to be doing business in the next five years.

I am a resident of the city of North York. My taxes go down $100 and the city of North York is actually in support of market value, so my comments are not in any way to give support to the bill, but I'm simply just addressing some administrative issues. My comments are primarily related to some financial issues that are going to affect the area municipalities if the legislation goes through as it is before you. I'd like to focus my comments on three areas: payments of taxes, payments in lieu and payments of these abatements and surcharges.

On the first item, payment of taxes, what I would urge the committee to consider is changing some words in certain sections of the bill either to allow negotiation of the levy due date setting process between Metro and the area municipalities or else to firm up in the legislation what the current arrangement is. Up until 1989 the area municipalities worked under a different scenario of payment dates. In 1990 Metro council unilaterally changed the way we were remitting taxes to Metro and at that time put forward a bylaw that was actually saying we had to give them 100% of their money 10 days after our due date, regardless of whether we had collected 100% of their share or not. They had further in that bylaw suggested that the next year be moved to five days and then to one day after the due date. In the spirit of compromise, I guess, we had arrived at informally a 10-days-after-the-due-date scenario. So I'm asking this committee either to put some wording in to allow negotiation of those due dates or else to put in the legislation the current practice of 10 days after the due date.

I must remind you that we don't collect all the money before we're remitting it to Metro and the school boards. We're giving them 100% before we collect it. I can tell you right now the city of North York has about $67 million in realty taxes outstanding, and that's just 1992 taxes outstanding. But Metro and the school boards have gotten 100% of their money, so we're the finance company in the whole process.

The other issue on payment is things called payments in lieu of taxes. Instead of taxes we're getting grant money from the province and from the federal government. The market value assessment plan that's in this bill provides that we have to share those payments with Metro and the school boards. The wording in the bill requires us to pay 25% at the end of March, 25% at the end of June etc.

Again, I must bring to the attention of the committee that those payments are not received in any regular format at all. They kind of come as they come. The bill that's before you is actually saying that we must pay again to Metro and the school boards before the area municipalities have even received the funds. I am asking that perhaps the wording be changed, that the area municipalities remit those funds to Metro and the school boards on a monthly basis as we receive the money from those different bodies. We're not allowed to charge penalty and interest to the province and the federal government for not paying those things on time, so it's unlike the tax situation.

There is a section in the bill that provides that there may be an alternative schedule set, but there's no requirement that Metro negotiate with us what that payment schedule may be. I'm asking the indulgence of the committee to make it on a cash-as-received basis.

The other issue is on payments of surcharges and abatements. I'm sure you are familiar with the bill; it's going to require the area municipalities to transfer money between the area municipalities. The bill before you states that the metropolitan corporation "may" pass bylaws to ensure that that follows the same as the due dates that we're paying them their tax money.

I would ask that the committee consider changing one word, from "may" to "shall," because it would be an onerous financial burden on the area municipalities again to send money to Metro and to the other municipalities before we've even collected it. Those are my comments dealing with the payment schemes embodied in the bill, and I hope you look favourably upon those comments.

1720

My last couple of comments deal with eliminating some bureaucracy that's in the bill. I hope you will carefully consider my comments on these.

In the area of tax appeals that result from a taxpayer saying there's an error in how the area municipalities calculated the bill under market value assessment, there is a requirement in there that within 30 days the area municipality send back a refund to the taxpayer. While I can appreciate the intent of that, the reality is that's not possible to do. There's a 21-day appeal period after a notice of decision has been made and therefore we have to wait those 21 days before we even start doing any work on processing the appeal. So I would ask that the phrase, "within 30 days," be struck from the bill. I can assure you that the area municipalities put their best efforts forward in trying to process those appeals as quickly as possible.

My final comment deals with the fact that the bill provides that we're supposed to send a copy of a notice of hearing and a notice of decision to the Metropolitan corporation. The way area municipalities deal with appeals now, we only are notifying the assessment commissioner, the clerk of the area municipality, the appellant. To be delivering notices to the Metropolitan corporation on notices of decision and notices of hearing, I think, is quite an onerous bureaucratic process that could be eliminated very easily from this bill. So I would ask that the phrase "and the Metropolitan corporation" be deleted from two of the clauses in the bill.

That basically summarizes my comments. I apologize for taking time so late on a Friday afternoon, but I strongly urge you to consider it because we felt, as area municipalities, very left out of the process of coming with clauses of this bill, and yet we were working very diligently with Metro staff and with provincial staff. Up to that point, it seemed the legislation was just sort of put together without our being involved.

The Chair: Thank you very much, because you have provided us with some very specific recommendations regarding the actual legislation. I think the members will use that. The parliamentary assistant had one clarification. I think he called it a quiet clarification.

Mr Mills: A quiet clarification, not to get anyone excited.

I appreciate your comments. I'd just like to refer to where you were asked to provide comments and concerns on Wednesday, November 11. It's my information that our staff were only instructed to prepare the legislation and they

couldn't do it until Metro had adopted the bylaw. So that was the delay there.

Secondly, I'd like to say that the provisions with respect to instalment and payments are not different from the current act. These provisions were discussed with the area treasurers and general agreement among all those folks was obtained to do that.

Ms Liczyk: On the matter of legislation, I have attended all the meetings we've had on the task force to study implementation and we've been asking for six months to see copies of draft legislation. What surprised me when I got a copy of the draft was that a lot of it could have been put before us months ago. The detailed final specifics of the plan Metro council adopted only constitute something that's going be put into the regulations anyway. There's an awful lot in here that I think we could have worked on with Metro and the province if we'd been given the chance to; it was just a timing issue. I was very supportive of the entire process and felt very frustrated that we weren't included in it.

With respect to the 10-day scenario, we had gone to court. I guess you're aware of the fact that the area municipalities in Metro went to court over the payment dates. We had struck agreement that we would go with the 10 days after the due date for the term of this council, but we don't have any certainty as to what's going to happen after that. I guess we're looking for this bill to put some certainty in our lives because of the way budgets are having to be struck, and we're all under pressure to have 0% increases. It's very onerous for us not to have some certainty in our lives.

Mr Turnbull: Just a technical question, if I could ask it.

The Chair: Another quiet point of clarification?

Mr Turnbull: Yes. Tell me something: It has been asserted that one council cannot bind the next. Can you give me some clarification on that?

Ms Liczyk: I'm not a solicitor, but I believe that to be true.

Mr Turnbull: In other words, the implication of that, if it is true, would be that any assurances of caps could be removed by the next council.

Ms Liczyk: Yes, they could be, and that's I guess what we're concerned with.

Ms Poole: I have a request to make of the parliamentary assistant. By the time we begin clause-by-clause, whenever that is, I would like a document which would outline each of these issues raised by the financial—what's your title?

Ms Liczyk: Commissioner of finance and treasurer.

Ms Poole: Commissioner of finance and treasurer for North York. If they are going to be adopted as amendments, I think the rationale right here has been set out, but if they are going to be rejected, I would like a fairly comprehensive explanation of why they would not be accepted as amendments. If we could have that by the beginning of clause-by-clause, the opposition can then make the decision whether it will choose to take up any of the amendments the government does not.

Mr Mills: I think, in fairness, we haven't had time to study this yet, but we will table a response.

Ms Poole: You're going to have to work Sunday, you know.

The Chair: Thank you very much for your presentation.

Ms Liczyk: Thank you.

The Chair: Just before the committee breaks after a long day and looking forward to a long weekend, can I review the hours and where we are meeting, just to make sure we're all on the same wavelength? Tomorrow we'll begin at 10 o'clock in the Ontario Room of the Macdonald Block.

Mr Mills: Superior Room, you told me.

The Chair: The Ontario Room.

Mr Mills: Oh, that's changed?

The Chair: I don't know. I was just told the Ontario Room of the Macdonald Block. So that's 10 until 12 and then 1 until 5.

Mr Turnbull: Are the television cameras laid on for the hearings tomorrow?

The Chair: No. In the other rooms there isn't television. This is the only room. On Sunday we will be back here. Tomorrow afternoon will be 1 to 5, also in the Ontario Room in the Macdonald Block, so we'll be over there tomorrow and here Sunday 1 to 5, and then Monday at 9:30 we start again.

Mr Turnbull: Perhaps it should be pointed out for the people who have been following this on television that they would be able to get a copy of Hansard from tomorrow.

The Chair: Yes, there will be full Hansard for the hearings tomorrow and those can be provided to anyone who is viewing and would like to read the Hansard.

With that, I want to thank everyone for their patience, particularly with the Chair. We now stand adjourned until 10 o'clock tomorrow morning in the Ontario Room of the Macdonald Block.

The committee adjourned at 1728.

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__Vice-Chair / Vice-Président:__ Daigeler, Hans (Nepean L)
Drainville, Dennis (Victoria-Haliburton ND)
Fawcett, Joan M. (Northumberland L)
Martin, Tony (Sault Ste Marie ND)
Mathyssen, Irene (Middlesex ND)
O'Neill, Yvonne (Ottawa-Rideau L)
*Owens, Stephen (Scarborough Centre ND)
White, Drummond (Durham Centre ND)
Wilson, Gary (Kingston and The Islands/Kingston et Les Îles ND)
Wilson, Jim (Simcoe West/-Ouest PC)
Witmer, Elizabeth (Waterloo North/-Nord PC)

*In attendance / présents

Substitutions present / Membres remplaçants présents:
Elston, Murray J. (Bruce L) for Mrs Fawcett
Frankford, Robert (Scarborough East/-Est ND) for Mr Gary Wilson
Mammoliti, George (Yorkview ND) for Mrs Mathyssen
Mills, Gordon (Durham East/-Est ND) for Mr Martin
Perruzza, Anthony (Downsview ND) for Mr White
Poole, Dianne (Eglinton L) for Mrs O'Neill
Rizzo, Tony (Oakwood ND) for Mr Drainville
Stockwell, Chris (Etobicoke West/-Ouest PC) for Mr Jim Wilson
Swarbrick, Anne (Scarborough West/-Ouest ND) for Mrs Mathyssen
Turnbull, David (York Mills PC) for Mrs Witmer

Clerk / Greffier: Arnott, Douglas

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Saturday 5 December 1992

Standing committee on social development

Metropolitan Toronto Reassessment Statute Law Amendment Act, 1992

Chair: Charles Beer
Clerk: Douglas Arnott

Assemblée législative de l'Ontario

Deuxième session, 35e législature

Journal des débats (Hansard)

Samedi 5 décembre 1992

Comité permanent des affaires sociales

Loi de 1992 modifiant des lois en ce qui concerne les nouvelles évaluations de la communauté urbaine de Toronto

Président : Charles Beer
Greffier : Douglas Arnott

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LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON SOCIAL DEVELOPMENT

Saturday 5 December 1992

The committee met at 1006 in the Ontario Room, Macdonald Block.

METROPOLITAN TORONTO REASSESSMENT
STATUTE LAW AMENDMENT ACT, 1992
LOI DE 1992 MODIFIANT DES LOIS
EN CE QUI CONCERNE
LES NOUVELLES ÉVALUATIONS
DE LA COMMUNAUTÉ URBAINE DE TORONTO

Consideration of Bill 94, An Act to amend certain Acts to implement the interim reassessment plan of Metropolitan Toronto on a property class by property class basis and to permit all municipalities to provide for the pass through to tenants of tax decreases resulting from reassessment and to make incidental amendments related to financing in The Municipality of Metropolitan Toronto / Loi modifiant certaines lois afin de mettre en oeuvre le programme provisoire de nouvelles évaluations de la communauté urbaine de Toronto à partir de chaque catégorie de biens, de permettre à toutes les municipalités de prévoir que les locataires profitent des réductions d'impôt occasionnées par les nouvelles évaluations et d'apporter des modifications corrélatives reliées au financement dans la municipalité de la communauté urbaine de Toronto.

The Acting Chair (Mr Monte Kwinter): Ladies and gentlemen, I'd like to call the standing committee on social development to order. Today we are considering a continuation of the discussions on Bill 94, the Metropolitan Toronto Reassessment Statute Law Amendment Act, 1992. I'm Monte Kwinter, the MPP for Wilson Heights, and I am acting as Chair for this morning's session.

BILL LEW

The Acting Chair: Each presenter will be given 10 minutes. You may use that 10 minutes in any way you wish. Just keep in mind that if you would like some questions from members of the committee, that will come out of your 10 minutes. Would you please identify yourself for Hansard so that we can have a record.

Mr Bill Lew: I'm Bill Lew of B. Lew and Associates. I have an address outside Metro, but like many of the committee members, I was born in Toronto and grew up there. I was educated in the Toronto schools, went to the University of Toronto, did graduate work in business administration at York University, studied urban economics there under Dean Gillies, the founding dean. That was before he went to Ottawa. His interest was Metropolitan Toronto at that time.

I'm also a follower of the Richmond-Farmer school of international economics. I'm familiar with urban models outside of North America, particularly India, Japan, China and Korea. That's Barry Richmond's field. He's a Canadian and he's located in California. He studied out at McGill. His partner, Dr Richard Farmer, is interested in the Middle East, Abu Dhabi, and in Paris, London and Canada. That's enough about my background.

I can hardly pinch myself that MVA has gotten this far, especially in a depressed economy. Who would want MVA when values are low? I can hardly believe it. But market values are a little funny, I think. It reminds me of an incident some years ago. A husband went down to Florida with his secretary, and he wired back to his wife: "I'm eloping with Rosie, my secretary. Will you sell the house and my Jaguar and send me half of the proceeds?" The wife looked at it and said, "Well, fine." She advertised it, and along came a knock on the door. She looked at this person. Is he the right material for a Jaguar and the house? Yes. So she asked, "How much money do you have in your pocket?" "Well, $500." "Sold." Everyone was happy. She got her revenge. I think MVA is like this.

Has the committee looked at market models, studied market models? If it hasn't, I'd like to cover some of that this morning.

The Acting Chair: Mr Lew, you can cover anything you want.

Mr Lew: All right, fine. As legislators, you need to question assumptions and biases underlying market models or else you can do dangerous things. Witness the GST. Wrong assumptions about the economy have caused more people to commit suicide than were killed dead by bombs in the Iraq war. There have been more assets sold under power of sale than damaged in the euphemism, collateral damage, that the Americans have inflicted. These are shames that we do not care to admit. We keep them quiet. Then we cannot do as much damage to Canada as the way the GST was handled. These damned assumptions.

Fortunately, we can learn from the GST. I complained about the collateral damage done to Ontario to the Minister of Justice and Attorney General of Canada, Kim Campbell. I complained many times over a period of two years. As a result, she put into the referendum protection against future GSTs. Ottawa downplayed this, but Premier Rae carried the ball and did a valiant job, and the referendum passed in Ontario and went down elsewhere into the trash heap.

This morning I'm going to rescue from the trash heap this protection device from the referendum. I'm going to recycle it for your use in implementing MVA. I'm going to throw a lot of things at you, and if you don't like the minister responsible for these things, you can throw them back into trash heap, and the minister too. But don't do this to Kim Campbell. She's worth your weight in gold, bare shoulders and all.

This morning I want everyone to consider only Solomon. That's the code name for Justice Minister Kim Campbell. I'm going to ask my friend Doug Flutie to extend Solomon and Justice Minister Kim Campbell beyond this sitting this

morning. It distresses me that Bill 94 is in third reading. You force me to go into my two-minute drill and do my magic. I'll need to be as agile as Doug Flutie. I'm going to throw Hail Marys at you, and I'll need your help and I'll need you to carry the ball over the goal line before the time elapses for third reading. Are you ready for the two-minute drill?

The first Hail Mary goes to an opposition member and it goes to the Deputy Minister of Revenue and his market model. Your job is to grill them on the market model. Do I have a volunteer from the opposition? Oh, fine, Ms Poole, and a female person too. This is excellent. It's a case study. I thank you. I'm going to throw this Hail Mary pass right at you.

The Acting Chair: Mr Lew, I just want you to know you have three minutes left.

Mr Lew: Oh, I only need two minutes.

The Acting Chair: That's fine.

Mr Lew: Here you are. Hail Mary number two.

Ms Dianne Poole (Eglinton): I got it.

Mr Lew: Doug Flutie needs to buy time. The ball goes to the Minister of Municipal Affairs. He's not here. Your job is to add the alternatives to Metro, three alternatives: full MVA, Ontario's MVA and no MVA indexed.

Okay, here's Hail Mary number three, and this is a key play. This is Solomon. This is the code name for Justice Minister Kim Campbell, and the ball goes to the Attorney General. Your job is to determine the fairness of Solomon.

First of all, no MVA: That means that 1940 values will be indexed to the consumer price index. Metro's MVA: I can't understand that and I'm not going to explain it. Full MVA: Well, that indexes the hot air of Metro councillors, and this would be the choice of the aggrieved wife. But trouble, well, it's going to cost Treasurer Laughren and the rest of Ontario a lot of money as well as grief for the city that they're in, grief for the city of Toronto, but the fault is in revenue markets and the Ministry of Revenue's market model.

I'd like to say something about cost benefit, because there is—well, I've only got a couple of minutes left. Cost benefit is—

The Acting Chair: Mr Lew, I'm sorry. You don't have a couple of minutes left. You have no time left.

Mr Lew: Okay. I'll toss the rest of my Hail Marys at you then, Mr Chairman. Here they are.

The Acting Chair: Fine. Thank you very much for your presentation.

ED DOBRANSKI

The Acting Chair: I'd like to call on Ed Dobranski. Mr Dobranski, would you take a seat, please. Mr Dobranski, you will have 10 minutes, which includes the opportunity for questions from the committee. Would you please identify yourself for Hansard and then you may begin.

Mr Ed Dobranski: All right. I'm Ed Dobranski and I won't be using up the full 10 minutes. I wrote letters to five people, Premier Bob Rae, Treasurer Floyd Laughren, leader of the Liberal Party, Lyn McLeod, leader of the Progressive Conservative Party, Mike Harris and MPP for York Mills, David Turnbull, and I'm just going to read this short letter that I wrote to them.

"Market value reassessment is not a tax reform but simply an excuse to update an outdated, inappropriate and unfair tax system. Let us have true tax reform.

"As the Fair Tax Commission is still meeting, we insist that no decision should be made until the work of this commission has been completed, analysed and subjected to public review. The government should hold extensive public hearings before any final decision is made.

"Tenants of large apartment buildings are completely disregarded as they would still continue to pay three and one half times the tax rate of home owners. This is extremely unfair."

Also, my own taxes—I'm a tenant and I found out the taxes on the property and they will be going up about $100. That is all. Thank you.

The Acting Chair: Mr Dobranski, thank you very much. Questions from the committee? Ms Poole.

Ms Poole: Mr Dobranski, thank you very much for coming before our committee today. Several presenters have come and made the same point that you have made. They took much longer to do it, and I compliment you on being able to state it very concisely.

Tenants right now pay three and a half times the taxes of the home owner. Metro council had, as part of the package it sent to the province of Ontario, sent a resolution asking the provincial government to redress this inequity between tenants and home owners.

When I asked the parliamentary assistant to the Minister of Municipal Affairs, and he's the minister who has carriage of this legislation, why they aren't doing something about this and when they intend to address this inequity, quite frankly, they didn't even know it was provincial jurisdiction and said Metro would have to take care of it.

I wish I could offer you some hope that it would be redressed right now, but that point you've made plus the point about the Fair Tax Commission are points both very well taken, and I thank you for coming to tell us that.

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Mr Dobranski: I just have one other comment. I received replies from the leader of the Progressive Conservative Party, Mike Harris, and the MPP for York Mills, David Turnbull.

Mr David Turnbull (York Mills): Ed, I'm pleased to see one of my constituents here. This is something I have argued for for some length of time, that there should be equity in the way that tenants are treated, because there's no doubt about it: You're paying, by an outrageous degree, an excessive amount of tax. The factor which is used for tenants is actually 8% of assessed value as compared with residential houses at 2.2%, so you get three and a half times the amount of taxes on that basis.

To summarize a little what I've found out—and I've been fighting market value reassessment for a long time, along with the problems tenants have. It's a slightly different matter but it should be corrected now. It's quite apparent

that market value will never solve the problem, because there will always be outrageous discrepancies.

The government has an opportunity at the moment to correct this. In fact, Metropolitan Toronto, when it sent what I believe is a totally flawed package to the province to ask for legislation, did attach a request that the province correct this imbalance. In this legislation we've got before us we can see that the government has done absolutely nothing to help tenants in this matter, even though it was requested by the municipality. I wonder if you could just comment on that.

Mr Dobranski: I think it's extremely unfair, as I mentioned, and I wish somebody would do something about it. I realize you are trying.

Mr Turnbull: I will keep on fighting for you, I assure you.

Ms Anne Swarbrick (Scarborough West): Thank you for the refreshment of the brevity of your presentation. I'd just like to put a little perspective on something and then ask you one question. In terms of the inequity that you are correctly pointing out between tenants and home owners, it's my understanding that that's clearly not part of the proposal Metro made to the province, because the amount of money you're talking about that would be part of the balance switch within this proposal would totally throw off the caps that were worked out as a compromise within Metro's proposal.

However, the province certainly hears the point you're making, that's really surfaced just lately with this recent controversy. It certainly is part of what we want to look at in the overall study we're doing over this next assessment period to make sure we really do develop a fair property tax system or a fair system of taxation for the things that are covered now under that.

What we've got planned for this next assessment period is to do a serious social and economic impact study along with Metro and the municipalities, including looking at what comes out of the disentanglement negotiations right now between the province and the municipalities around who pays for what services; as well as looking at the issue of education refinancing, which will come before cabinet in the new year; as well as looking at the report you're referring to that comes from the Fair Tax Commission.

I simply want to put the perspective that after the decades or centuries that have caused the present system to evolve, it's not something you can do a quick fix with. Of course, with the demands from the suburbs right now for some kind of change, Metro obviously felt forced to come up with some compromise, and that's what we're presented with right now for the short term.

In terms of that short-term solution, though, the question I want to put to you is that you refer to your rent going up $100 or your taxes going up $100 because of the change. Are you aware that, number one, there's the 5% cap on you under this compromise proposal; since your taxes consist of roughly 20% of your rent, that really means that it couldn't cause your rent to go up by more than 1%, but even if that 1% were to take your rent increase above the guidelines in this government's rent control legislation, then you'd be able to stop that from happening this year as well. Are you aware of that kind of protection for your rent increase?

Mr Dobranski: Well, there should be a deep cut rather than an increase.

Ms Swarbrick: For the long term, you're right, and that's what we have to address over this next assessment period.

Mr Dobranski: I live in a small apartment, and my taxes will be going up to close to $2,000 a year.

Ms Swarbrick: They won't be under Bill 94, because this compromise is not full MVA.

Mr Dobranski: Right now the taxes are $1,880 and they will be $1,974.

Ms Swarbrick: They would be under a full market value assessment proposal, which this is not. That's not what we're dealing with. Do you understand that?

Mr Turnbull: On a point of order, Mr Chairman: I just want to correct the record. Ms Swarbrick has suggested that taxes on apartments are 20%. They are typically 25% to 30%.

Ms Swarbrick: Excuse me, correcting the record is not a point of order, Mr Chairman.

The Acting Chair: That is a point of information. It's not a point of order. Mr Dobranski, are there any other comments you'd like to make to this committee?

Mr Dobranski: No, I don't.

The Acting Chair: We thank you then for your presentation.

Mr Dobranski: I want to thank everybody.

LYTTON PARK RESIDENTS' ORGANIZATION

The Acting Chair: I now call on the Lytton Park Residents' Organization. Could you please identify yourself? You will have 20 minutes, because you're representing an association.

Mr Don Stewart: My name is Don Stewart. I am the president of the Lytton Park Residents' Organization. I'd like to thank you for the opportunity to present our views on the issue of market value assessment and the legislation that's currently proposed. I will offer some comments on that and then I will offer some recommendations as to what we think should be done to address the implementation of something which we feel is unfair and unjustified.

Before I get into our comments, perhaps I should give you a quick overview of Lytton Park, as you may not be familiar with this. This may sound like a maiden speech in the House, but I'll keep it brief.

We're in an area of North Toronto, in the city. We're bounded by Yonge Street and Avenue Road and by Lawrence Avenue and Roselawn. That probably leaves you feeling that we are the fat cats, as we are often called in the press. I would suggest to you that our demographics suggest otherwise. We have some 2,000 households in total, and about one third of those are tenants. Yes, we have some large houses on large lots, 50-foot frontages and that sort of thing, but the majority of the houses in our

area are on 25- to 30-foot frontages. So I'm not sure we quite qualify as the fat cats we're often portrayed to be. In addition, being part of North Toronto, we have an above-average number of seniors within our area.

What our organization is looking for is a property tax system that is fair, consistent and easy to measure and understand. In fact, we are prepared to pay more tax if necessary in order to get those things, because we see that as a long-term solution, providing it's implemented on a progressive basis.

I believe we must address MVA as a system and the proposed legislation together, as they are interconnected and will have a five-year term. We should not underestimate this five-year term of the legislation. To put it in perspective, that's approximately 12% of your working life, so that's a pretty significant period of time.

The MVA system, we believe, is not fair because it's based neither on services used nor ability to pay. We think both of those are factors in municipal taxation. The proposal will perpetuate for five years this kind of system, with some political compromises based on short-term voter appeal. It's really an attempt, we believe, to avoid the issue. In addition, it will not rectify the inequity between home owners and tenants that was just discussed.

An aspect that has not been emphasized is the fact that there is no clear plan for a tax system change. The government has suggested that MVA is not a long-term solution, but there's nothing out there for people to plan on, only these MVA projections. It certainly makes it very difficult for people to buy a home, and has an impact on the selling price of a home as well. People who live in well-off areas in Forest Hill are probably not too concerned about their property tax. They're probably more concerned about whether there's a pool or not. However, for first-time buyers, young families and the like, property tax is a critical issue. How can you possibly budget when you have no idea what the tax system is going to be? A five-year cycle to do that is certainly an awfully long time period in order to leave yourself at risk.

This kind of uncertainty, we believe, is probably the biggest factor in why people are upset with MVA and the proposed changes. Because there is no consistency in the plan, people find themselves looking at the likelihood of sudden major tax changes. Even if you're paying an excessive amount of tax, if you know it's coming, you can budget and plan for it. That impacts both home owners and businesses.

1030

MVA is driven by location and by trendiness; therefore it creates uncertainty, because the Metro marketplace, as we know, is a volatile market. The tax uncertainty in the proposal, with no clear future plan, only adds to that uncertainty. In fact, what we are seeing here is another form of legalized gambling; hardly one you want to do, where you've got your home on the line.

Finally, there's the issue of being easy to understand and measure. MVA uses confidential rules which are subjectively applied. Assessors claim to be accurate within 5% either way; that is their judgement of how accurate they are. To put that in perspective, consider this: Could I estimate my income tax within 5% this year or would sales tax within 5% be acceptable to the government? I don't think so. So how can we say this is a just system? We're asking people to take a subjective evaluation and pay hundreds of dollars based on that. We don't think that is fair and we don't believe that the Metro proposal addresses that.

A couple of other comments on MVA: We hear that 700 municipalities in Ontario have implemented MVA. First of all, I don't think they were given much choice. They were told, "Keep the old system or go to the new." Second, as we know, some have been bribed or forced. Finally, in an environment where there are stable property values and the relative differences stay the same, this system may work and may be representative of ability to pay and services used over the long term; however, that certainly doesn't apply in Metro.

We also hear that North America generally uses market value, but I think we need to look more closely at the basis for that. For example, in Vancouver and Quebec they use the purchase price of a home and limit increases to the level of inflation, which is certainly significantly different from what we have in Ontario and again would tie better into ability to pay and services used.

In summary, MVA fails. It's not fair, consistent or easy to understand and measure. The proposed legislation does not nothing to correct this and perpetuates it for five years. It keeps the unfairness to tenants, it adds uncertainty to both buyers and sellers of homes and hurts the lower-income earners the most.

We have some recommendations. We'd suggest that instead of a five-year plan there be a two-year plan on the following schedule—and the onus would be placed back on Metro council, and you'll note that requires them to come up with a solution before the next election.

First of all, between now and March look at the different types of systems that could be used and select up to six of them. We would suggest that MVA based on 1992 as a comparison point and that unit value, which has been proposed by Toronto and North York, be two of those six.

Impact studies could then be done between 1993 April and 1994 March. That would allow April 1994 through September for public discussion and a Metro decision, and October to December for the passing of the necessary legislation. The new system could be in place by 1995.

In addition, we agree with the suggestion that houses sold in that time period not go to full market value but be maintained on the same basis as unsold homes. That's certainly reasonable for a two-year plan.

Third, while we would like to suggest that they freeze the system as it currently is today, we recognize that there's been a lot of manoeuvring and that people have projected based on the current increases and decreases. So we would suggest that for the first year, the projected changes be implemented. This would help calm the waters a bit and show that we're working towards a reasonable plan. Then in the second year, keep them at the same level as the first year, and then the following year we'd start implementing the new system.

The new system should be implemented over a period of 10 years. While logically the new system should be

fairly consistent in some ways with what we have today, there will be changes, obviously, and some of them will probably affect more than others. By implementing it over a 10-year time period, it allows for planning and people can adjust to the change.

Finally, insist that the system that is implemented meets the criteria of fairness, consistency and being easy to measure and understand.

By doing these things, we will force Metro council to give it the necessary attention and to sell the new system. If we don't do this, we'll find that MVA and the tax system in Metro will continue to be a political football, because MVA is inherently wrong for the Metro environment.

The Acting Chair: Thank you, Mr Stewart. Questions?

Ms Poole: Don, thank you very much for presenting to our committee today. Lytton Park has certainly been active in the fight against MVA for as long as I can remember, for some eight years or so. One of the points you've raised in your brief I think is quite important, and that's the volatility of market value assessment as a plan. It seems that what has happened is that we've just shifted winners and losers and we've traded one set of inequities for another set of inequities, so I find your recommendations particularly helpful.

Yesterday, I think it was in Councillor Anne Johnston's brief, she talked about the decline in resale properties and the decline in value over the last couple of years. Her statistics showed that in North Toronto in the area that both you and I represent, the values had declined by 34% as opposed to declining by 9% in Etobicoke, and I think it was 13%n—no, sorry, Etobicoke was 13% and the city of Scarborough only declined by 7%. Does that not put the lie to the myth that market value is a stable system and that market value declines at the same rate all over the area?

Mr Stewart: I would certainly agree with that. The other thing to consider is that the high end of the market has fallen more than the low end of the market or entry point into the marketplace, and so therefore the relative difference in values between the mythical house in Toronto and the mythical house in Scarborough has dropped. What will happen with the 1992 assessment is that the decreases that people in the lower end values thought they were getting are not going to come true, certainly not to the same extent, because they will now be faced with a smaller relative difference in the property values. Again, you've added this volatility factor. As I suggested earlier, it's almost a form of legalized gambling. It's a crap shoot.

Ms Poole: I'm quite intrigued by your proposal because it is a compromise, but a compromise that makes a lot more sense. You basically, I think, are saying, "Let's not put tax reform on hold, but let's have a specific schedule for when this is finally going to be resolved." One of the problems, though, with your proposal that this interim plan be for two years is that right now in Metro's plan there's a provision that homes would go to full market value at the point of sale. The way the government has claimed to address this is by giving leverage in the legislation so that Metro could change its mind on this; it has to pass a bylaw. I think you and I both know how many times Metro has passed that resolution saying that point of sale goes to full MVA, so I don't hold much credence.

I want to tell you that I am going to be tabling an amendment which would prohibit Metro from moving to full market value at point of sale. If that were done, I think your alternative proposal might well have a chance of success, in that people would see they would get some instant relief where they felt they deserved tax decreases, and yet people in the city would know that this system was not going to be maintained for an extensive period of time.

Mr Turnbull: I certainly agree with your recommendations. Let me try and summarize the views that I've had from the hearings so far. It is apparent that there are some significant inequities in the present system, and certainly all the people I have worked with for many years against market value have always recognized that to be the case. There have been some dramatic examples of people who felt they were paying too much. However, there have been more examples and there have been more people coming here and explaining how opposed to MVA they are. In fact, there have been relatively few presentations in favour of MVA.

The examples that have been brought by the people who are opposed to MVA have been quite dramatic. There was an example of a lady who presented yesterday, who lives in Scarborough, has a shop at Eglinton and Yonge and also has a shop in Scarborough, lives in a house on a ravine in Scarborough and pays a little over $3,000 a year in Scarborough taxes. At the moment there is a small, unfinished apartment above her shop at Yonge and Eglinton and the taxes on that are $6,000 a year. How anybody can possibly conceive that is fair—and these are the very people who want to push a further burden on to the people in the centre of the city as a result of the values which the assessors attributed to buildings in 1988, which as you correctly pointed out, was the high watermark of all the increases.

Over and over again, we've had people suggesting that we need a more equitable system and a more stable system. The government vaguely says that this is just an interim plan and that it wants to see a better plan. They've conveniently pushed it off until way after the next election, when they quite clearly recognize they're not going to be the government, instead of having the will to do something about it now. We have a Fair Tax Commission which is about to make its report, and from the leaked information, it's already apparent that the Fair Tax Commission is fairly critical of Metro's market value plan. Yet this legislation is being hurried through immediately before the report of the Fair Tax Commission comes out.

My question to you is—let me ask you first of all, what do you do for a living?

Mr Stewart: I'm a computer consultant.

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Mr Turnbull: Would you ever recommend to any of your clients that they would do something when a fairly significant report was about to come out? Would you recommend that they go ahead and maybe buy some computer

equipment when the next week a report was going to come out that might change the whole ground rules?

Mr Stewart: Probably not.

Ms Swarbrick: Mr Stewart, I'm not going to play politics here by responding to some of the comments that were just made. I'd just like to say that you've presented a very thoughtful proposal. I think that especially coming from a city group with the interest that the city groups have, you've been particularly thoughtful, in your proposal, in recognizing that for the next couple of years it is important, probably, to let the Metro compromise proposal be in place and work towards what can follow that.

I would agree with the need for the government to try to move as efficiently and quickly as possible in consideration of all factors, to come up with a much more fair system. I think the proposals you have made of looking at a system based on ability to pay and placing residents on a common basis are very significant ones to consider.

There is one thing you put forward that is something I had been thinking of myself. I'm wondering if you would share with me the same concern that I ended up arriving at with it. You've proposed that we look at the use of the purchase price of homes if you're going to use a system that is based on assessment that way. I was thinking that too. Why don't we? Then I wondered, does that then allow room to be created for the same problem we used to run into, until the coming legislation, with the sale of cars, that people then somehow fixed the books and declared that the purchase price was less than what it was so they could avoid paying taxes?

Mr Stewart: In fact, we have not specifically recommended that. I merely pointed out that in other jurisdictions that is an approach they have taken.

Ms Swarbrick: I'm sorry; that's right.

Mr Stewart: Our submission to the Fair Tax Commission's property tax working group suggests a system based on unit assessment, where you take twice the area of the building and add that to the area of the property and use that as the basis for assessment, and put both home owners and tenants on the same basis, with tenants paying on their share of the space within the building.

We felt that the size of the building was more representative of your ability to pay, and the services used because we think services used have some element in a property tax system, because things like garbage collection, for example, are very much like heating and hydro, and therefore should be paid somewhat on a usage basis. By having that, you can get some elements where you'd encourage conservation by having pricing associated with that.

On the other hand, we clearly recognize that ability to pay is a critical factor and is part of any progressive taxation system, and what we tried to do was come up with a system that did that. You alluded to the possibility earlier of moving the education tax and possibly welfare as well on to the provincial tax base, and we could certainly see benefit in that as well, as it would take a lot of the heat off the property tax issue.

We believe the key there would be to make sure that the local municipal governments don't see this as an opportunity to slip through a big tax increase by saying, "Yes, we're giving you a decrease," but in fact socking you with a big increase in your municipal tax for all the little projects they've got on the back burner today.

Ms Swarbrick: You anticipated my other question to you as well. Thank you. I hope we can count on your continuing good input as we evolve towards a fairer system.

Mr Stewart: We would be happy to do anything we can to help get a fair system in place.

OAKVILLE CHAMBER OF COMMERCE

The Acting Chair: We now call on the Oakville Chamber of Commerce. Would you please identify yourself for Hansard. You have 20 minutes and that will include an opportunity for comments by members of the committee.

Mr John Hogg: My name is John Hogg and I'm president of the Oakville Chamber of Commerce. That organization represents some 1,000 businesses in the town of Oakville and I dare say I represent a majority of the people and residences from the town of Oakville.

Market value assessment is wrong, immoral and unethical. The value of property is not equal to the ability to pay. It is an indication of how long you have owned that property. Too often, seniors will be forced to pay more than 50% of their income on property taxes.

MVA will change the rules of budgeting for residences and businesses. MVA will raise the taxes and rents for businesses and residences all across the province. In the regional municipality of Halton, MVA caused much the same stir as it did here in Metro. We've been through quite a bit in the last couple of months since September 23, when the regional municipality of Halton imposed market value assessment.

On October 7, I stood before council and asked them to move a motion of reconsideration. I'll just go back to September 23, and explain how market value assessment was passed by the region. It was done right down municipal lines. The region of Halton is composed of Oakville, Burlington, Milton and Halton Hills. Oakville and Halton Hills represent 12 votes on council; Burlington and Milton represent 12 votes on council. Burlington and Milton voted for market value assessment. Oakville and Halton Hills voted against market value assessment. So we were faced with a 12-12 tie on that day and that tie was broken by the regional chairman, Peter Pomeroy, and he voted in favour of market value assessment.

We were imposed with market value assessment on that date, and then on October 7, I asked those people who were on the prevailing side of the motion to move a motion of reconsideration and that request, at that time, fell on deaf ears. We did some extensive lobbying and obviously we created awareness throughout the citizens of the entire region. Finally, just a week ago yesterday, prior to the meeting this past Wednesday, we were able to get a notice of motion of reconsideration put on the agenda, and that was done by the chairman.

Wednesday night's meeting lasted until 3:20 in the morning, very much like Metro's did, and we were able to have more or less a stay of execution until a year from now in 1994, when we will be imposed with market value

assessment unless we can come up with an alternative solution. That's what I'm here for today, to try to set the ball in motion so that we can find that alternative solution prior to imposition imposing market value on January 1, 1994.

You have some background as to what has happened in Halton region and how it will affect not only Metro, but affect the entire province. When you're talking about market value assessment in a diverse region such as Halton, you have various factors that really come into play. For example, in the studies, they talk about this $200,000 house in Oakville, Burlington, Milton and Halton Hills. Because of Oakville's proximity to Toronto, the value of that property will always be greater than the similar value in other areas of the region. Consequently, a $200,000 house in Oakville might be the size of a matchbox, whereas on the other side of the coin in Burlington it might be a much larger place.

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We feel that market value assessment, especially throughout a diverse region, is not fair. It just doesn't address the issues of consumption of goods and services provided by a region, for example. So we got the motion of reconsideration, and we just feel that this committee could start the ball in motion to come up with a better solution to taxation. For instance, you heard the speaker before me mention moving the education levy to either the Income Tax Act, or why not the Retail Sales Tax Act. I don't know, maybe there are problems with that.

I'd like to entertain questions from each and every one of you. In that way, that will prove that we're actually trying to work together for a solution.

The Acting Chair: Thank you, Mr Hogg. Ms Poole.

Ms Poole: Thank you for taking the time to come and appear before our committee today. I think it's particularly helpful in a number of ways. One is that you don't have a vested interest in the Metro plan per se.

Mr Hogg: No, I don't. I don't have property in Metro.

Ms Poole: Most people presenting to us have not had that objective stand because we're all part of this inner battle.

Mr Hogg: I'd like to say that it's not a Metro problem; it's a provincial problem, and the Assessment Act has to be dealt with.

Ms Poole: That was going to lead to my second point. What your brief has basically said is that there's an attack going on right now on our cities, and particularly our inner cities, and what is starting to happen throughout the province is that market value is being imposed on the cities by the regions. We've just had a battle in Ottawa.

Mr Hogg: Yes.

Ms Poole: In fact, it was only at the last minute that it came about, because of various schemes, that all of the municipalities within Ottawa finally voted in favour. They had to do some manipulations there. We've had problems in Kitchener-Waterloo, Haldimand-Norfolk, going back a few years, but what you've told us about what's happening in Oakville shows that this is going to be happening all over the province.

The regional municipality's taking on a responsibility that up till then was being granted to the local municipalities, and part of the problem is I don't think the government really understands that that is what this is all about, and keeps saying, "Well, we're just doing what the local municipality wants." The local municipality, certainly under the terms of the Assessment Act, is the city of Toronto, the city of North York. The area municipality is the one they're granting these rights.

We, in Toronto, have had threats of a tax revolt if this goes through. I'm wondering, have you had that type of reaction in Oakville, because I suspect from what you've said that feelings are running pretty high there as well.

Mr Hogg: There's no question feelings are running extremely high. One of the considerations of some of the people is to set up a trust account to accept tax dollars and then send an audited statement to the municipality every month of what's in that trust account, and then just have demands attached to that statement. Upon meeting those demands, we'll release the funds.

Ms Poole: That would be, I think, a very valuable proposal, because I don't think a lot of people would have much patience with somebody who was refusing to pay their taxes just because they thought they were getting out of paying their taxes, but if the person has paid their taxes and yet at the same time made a statement, then perhaps that message would get through without some of these negative connotations of somebody refusing to pay their taxes.

Mr Hogg: We do not want to start a tax revolt. We would like a solution to market value assessment, but if we're backed into a corner, we may have to do something like that. I'm not saying that is the position of the Oakville Chamber of Commerce; I'm saying that's a position that a lot of people are thinking about.

Ms Poole: Thank you.

The Acting Chair: Mr Turnbull?

Mr Turnbull: Yes. Mr Hogg, you pointed out this aspect of a $200,000 home in Oakville, and $200,000 buys a lot smaller home in Oakville than a house, say, in Burlington.

Mr Hogg: Exactly.

Mr Turnbull: Do you not think by using the market value of a home, what people are trying to do in a very crude way is to try to have income redistribution, even though it might be a very modest house in Oakville, and it doesn't accurately reflect people's ability to pay?

Mr Hogg: Can I comment on that? There's no question that market value assessment does not equal the ability to pay. I know of one lady in town whose property taxes currently are $3,000, and they'll be moving up to about $6,500, as I understand it, under market value assessment. Her income consists right now of CPP, OAS and a little bit of income from a registered retirement income fund. She's 71 years old. Her total income will be about $12,000.

There is no banker in the world that will give you a mortgage that demands 50% of your income be paid to

service that mortgage. To pass market value assessment is, in essence, telling this lady she has to move out of her house.

Mr Turnbull: Let me tell you what the proponents of market value would have you believe. They say, "Okay, there is a clause within the Assessment Act which allows a lien to be put on the house over the years for people below a certain income level." It appears to me that essentially what that is is recognizing that this is unrealized capital gains, and yet they want to have a piece of the unrealized capital gains every year, even if it's charged against the house. Could you respond to that?

Mr Hogg: Capital gains as per the Income Tax Act, or as—

Mr Turnbull: Well, no, to the extent that they're saying that that property has gone up in value; therefore you have—

Mr Anthony Perruzza (Downsview): On a point of order, Mr Chair: Have we got a set time per person?

The Acting Chair: Yes we have. What I've been doing, just so you'll know, I'm dividing the time remaining equally, and at the present time we are working on that basis.

Mr Perruzza: Okay, because we have so many deputants before this committee that we want to get as many people as possible in here to have their say.

The Acting Chair: I can assure you, there's a time allocation and we are adhering to it very strictly.

Mr Perruzza: Thank you.

The Acting Chair: Mr Turnbull?

Mr Turnbull: If you could just—

Mr Hogg: I understand what the question is, and now, by putting a charge against the property, that's in essence putting a mortgage on it, and people who are 71, our seniors, do not want to do that sort of thing.

Mr Turnbull: That was actually done in California, and the seniors resisted that. The seniors were furious, and we know what happened in California as a result of that. As a matter of fact, I brought in private member's legislation—which was passed but the government wouldn't allow it to go to committee, so in essence it died—to try to allow for citizen-initiated referendums, and it would have stopped this kind of nonsense.

Mr Hogg: Exactly.

Mr Turnbull: Last question: Do you think it's reasonable that tenants in a store should in some way have their taxes based upon a value that the building has got to at a point in time?

Mr Hogg: The value of a property has nothing to do with the consumption of goods and services received from a municipality. I don't understand why any—

Mr Turnbull: The tenants can't even take advantage of any increase in the property value. To the contrary, they're concerned about it, because at the time that their lease comes up, the chances are that it may increase the cost of the lease.

Mr Hogg: That's sort of a chicken-and-egg thing because the property will increase, but then the taxes will go up and the capitalization rate of the property will force the value down, so it's sort of a thing that's bouncing up and down like this all the time. It's so unstable.

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Mr Turnbull: And of course, that has an effect on the business taxes. Typically in Metro the business tax is 50% of the property value.

Mr Hogg: Exactly.

Mr Turnbull: Can you see that as being injurious to businesses?

Mr Hogg: Most definitely, sure. There's no sense of planning.

Mr Turnbull: Would that lead to loss of jobs?

Mr Hogg: Of course it would.

Mr Turnbull: Thank you very much.

Ms Swarbrick: Mr Hogg, first you were referring to the problem with seniors in terms of tax increases, if they were full market value increases, of course, not the kind of caps that are put on under the present system, and I'm just not sure—

Mr Hogg: Could I just make a comment to that? Because I feel that once you start altering a system, for example, with the phase-ins that have been proposed in Halton and the capping that is proposed for Metro, you're trying to fix something that doesn't work, and it's that simple.

Ms Swarbrick: I wanted to get to that, but first I was concerned about the example you gave. I wanted to make sure that you understood that, as I learned on this committee, under the Municipal Act, seniors who wish to can defer their taxes to be paid out of the estate. Did you realize that?

Mr Hogg: But that's not a solution to it.

Ms Swarbrick: No, I just wanted to make sure. You were using an example of somebody facing hardship and I wanted to make sure that people realized the potential solution that's there to help avoid that hardship. So if that's out of the way, I'll move on.

It sounds like you're opposing any kind of system based on assessed value of property; is that correct?

Mr Hogg: That's correct.

Ms Swarbrick: You'd rather see a system based on services and based on ability to pay instead; is that right?

Mr Hogg: Exactly.

Ms Swarbrick: You were referring to the witness before you referring to wanting to start the ball moving in terms of looking at education refinancing. Do you realize that, although the system of operating property taxes based on assessed value is what we've worked on so far from time ad infinitum in this province, in fact this provincial government has, since we were elected, initiated, for one, under Tony Silipo, having a solid report done on the issue of education refinancing which will be coming to cabinet in the new year; that in fact we have initiated the whole process with the municipalities of looking at how we can disentangle in terms of who pays for what services?

Mr Hogg: Right.

Ms Swarbrick: That we have introduced, of course, the establishment of the Fair Tax Commission with its property tax working group for exactly this purpose, because we recognize the inequities that exist and want to redress them and that of course we've now, because of the pressures from the current system, said we clearly are going to sit down with Metro and the municipalities also to look at a full study of the economic and social impact of property taxes.

I think you probably have enough grasp of the system to realize that looking at the implications of all of those studies means you can't redress the historical property tax system in Ontario based on assessed property value overnight. You do have to look at something that takes the serious study of those studies and, therefore, probably a couple of years at least to be able to let those kinds of studies work through.

My understanding, and I wanted to ask you about this, is that the Halton region treasurer has been instructed also to establish a Fair Tax Commission locally because of the controversy that's arisen out of the proposals there; is that correct?

Mr Hogg: Part of the resolution on Thursday morning was to set up a citizens' committee. That was one of my recommendations that we put into the resolution that was tied to the motion of reconsideration generally: that we have this committee set up.

I would envision that committee—and I just talked to the chairman yesterday—being made up of people from throughout the region of Halton, but also from across the province. I would hope that's how that would be set up: to bring in from Carleton, Kingston, Metro, the places that are having problems with market value assessment right now. That would possibly get the government to change the Assessment Act within the next 12 months and implement some of those things that may come out of the Fair Tax Commission. We don't know what's going to come out of that commission. We've got to find out now and we've got to get these things rolling, because we in Halton region only have 12 months to get rid of this unfair system and bring in a fairer one.

Ms Swarbrick: I'd suggest that you've now got a deferment of 12 months. Your final one would have to be relooked at within that 12 months, too. Would you not agree that in view of all of the—

Mr Hogg: No, I'm sorry. If we don't come up with a solution in the 12-month period, market value assessment will be effective January 1, 1994.

Ms Swarbrick: Hence, your point about how this is a province-wide problem that has to be looked into.

Mr Hogg: Exactly.

Ms Swarbrick: In terms of the immediate proposal from Metro, my colleague the member for Eglinton referred to her belief that there'd be a tax revolt within the city of Toronto if this plan goes through. Is it your understanding, as it is mine, that if it doesn't go through there'll be a tax revolt from people in the suburbs of Metro? That's what motivated Metro to have to look at an immediate compromise now, while the province then looks at a longer-term solution over the coming period.

Mr Hogg: What we have to go back to is my initial statement, and that is that MVA is unfair, immoral and unethical. That says it all.

I don't think politicians are going to get thank-you cards from those people who are going to see their taxes reduced, and neither would those people who are going to have their taxes reduced like to have that done to the imposition and detriment of other taxpayers.

The Acting Chair: I'd like to thank you, Mr Hogg. The time has expired. Thank you very much.

Is Henrik Pfisztner here? Cora Urbel?

CORA URBEL

The Acting Chair: Good morning, Ms Urbel. You will have 10 minutes, which will include an opportunity for members of the committee to ask questions. Would you please identify yourself for Hansard, and you may begin.

Mrs Cora Urbel: I'm Mrs Cora Urbel, and I live at 40 Yewfield Crescent, Don Mills, Ontario, M3B 2Y6. I'm also the president of Don Mills Residents Inc, a residents' association which has a mailing list of 4,200 homes. The boundaries are York Mills Road to the north, Eglinton Avenue to the south, the Don Valley Parkway to the east and Wilmot Creek to the west.

Mr Turnbull: On a point of order, Mr Chairman: This is incorrectly down. She is the president of an association; she should be granted 20 minutes.

Mrs Urbel: I registered as an individual. I'm just letting them know that I am the president, but I didn't have a mandate to appear from the residents' association.

I wonder what we're doing here today when it has already been declared by the Honourable Minister of Municipal Affairs that he intends to pass this legislation next week. I find it appalling that we're going through this charade.

Quite frankly, I'm here today simply because of a story I heard years ago about two little frogs who fell into a vat. They took a swim around and one said, "Oh my God, look at these walls," shuddered, gave up and fell to the bottom. The other one took a lick of the substance and found it was cream. So he said, "If I swim around here long enough and I agitate long enough, I'll have a nice little block of butter to rest on," and he survived.

So I'm here hoping that some bolt of lightning—not bolt of lightning, some bolt of common sense is going to hit some of the members of the Legislature and that you will take up your responsibilities and stop the implementation of this scheme on Metropolitan Toronto. It's farcical. It's a sham.

I spent my working life at Bay and Bloor, but I opted for a suburban home life. When I got out of the office at 5, 5:30, I got into my car and I drove to Don Mills, where I'd bought a modest bungalow, three storeys. No way would I opt for living downtown, Bay and Scollard Street, 16-foot lots, and even if it's a semi-detached, you're sharing a driveway, you don't have daylight, you have fumes, you have noise. I love my suburb. When I moved to Don Mills,

I knew I was paying more taxes. I was willing to pay more taxes for the privileges that I consider I have: a small bungalow, a nice big lot, lots of trees, lots of daylight, the sun comes in. I wouldn't live downtown or swap my little house for any property in the city of Toronto.

So we in the suburbs have lots of things that we do not have in the city, and we should be paying for it. I don't see why I, with a 65-foot frontage and 170-foot lot should be considered on a par, value-wise, with somebody who's living on a 16-foot lot, with his disadvantages.

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The sad story is that when we moved to Don Mills, it was the moondocks, not the city of Toronto. There was nothing north of York Mills except farms. I haven't moved my house, but unfortunately the city has moved around me, and I find that I am now in the centre of Metropolitan Toronto. Suddenly some faceless bureaucrat values my $23,500 bungalow at $400,000. "Mrs Urbel, it's your privilege now, because that house is worth $400,000"—based on the location and inflation and trends in the area.

Let me tell you, the trends in Don Mills have been, up to 1990, speculators coming in, buying up our small bungalows, buying up our big lots, tearing down these perfectly good 30-year-old houses, sending them out to the dumps and building monster homes with five bathrooms. Whoever needs five bathrooms? That has been driving up the price of our houses as well as location. It's a trend that nobody can measure, but it's a trend that the tax department says, "Well, that's it." Don't ask me how we get there, but that's how we get there.

So as far as I'm concerned, I have had a capital gains tax. This raising the taxes for municipal services based on market value is actually capital gains; you're charging me capital gains tax. If I ever get $400,000 for my little bungalow that needs a new roof, I will not realize that asset until it's sold, whatever it's going to be.

So I ask this government to take the responsibility, once and for all, to put in a system of property tax or municipal taxes that could be simple, based on the square footage, the size of the lot, the size of the home. The person who has his 16-foot frontage will pay accordingly; the person who has a 65-foot frontage will pay accordingly. We should be getting a system into place that is going to cut down on bureaucracy.

We have in the city of North York, from Monday to Friday, five days a week, morning and afternoon, people from the assessment board sitting there listening to appeals and cases. We have a bureaucracy that you're now going to cement into place, if you accept it in Metropolitan Toronto, employing full-time people to push paper around every four years and say: "Oh, yes, 1992 is coming up. Your property is worth this, and the taxes will be that." Do we need it? If we had a system of tables set down, like two and two is four, four and four is eight, we wouldn't need the bureaucracy. We could be cutting down right there.

I am not going to take my 10 minutes, but I really am appealing: Like that little frog going around churning the cream, I'd like a nice little pat of butter to sit and rest on. I really hope that somehow this committee will be able to get through the right message to the legislation, not force this thing through before the 10th. We have the Fair Tax Commission coming up with its report. What are they going to say? Are we the government for the people? Thank you, Mr Chairman, for allowing me to speak.

Ms Poole: Cora, thank you very much for your presentation today. I think you raise a very valuable point, and that is that people choose their lifestyle. Over the years, I haven't heard a lot of people in the city of Toronto complaining about their 16-foot frontage or their 20-foot frontage. I haven't heard them complaining about the fact that the city of Toronto, for instance, heavily subsidized the city of Scarborough for schools. That was never a complaint because we felt, "Well, we share."

But I think what's got people angry right now is the very scenario you've described, where people have chosen a life in the suburbs, where generally they do have larger lots and larger houses, and yet they're now saying that those people in the core of the city should pay substantially more based on this esoteric principle called market value, which seems to float with the times. So I really appreciate you making that point.

You asked, if this is a fait accompli, then what are we doing here? The reason the opposition parties demanded public hearings was because there was no opportunity for public hearings after Metro came up with this final, last-minute plan, and we felt it was important that the government of Ontario understand exactly what it was doing by rubber-stamping this. I actually believed, up until yesterday, that there was a chance that public hearings would make a difference; that this government is not known for its flexibility but it is known for its unpredictability, and maybe this one time it would listen.

I don't know if you saw the Toronto Star article yesterday, but an NDP member of this committee said they didn't plan to have public hearings, they were bullied into it by the opposition, and they can't change their mind because it would mean a dangerous precedent. The question I have is very similar to yours: If the government has made up its mind that it's not going to change, why are we here?

Mrs Urbel: I hope, in spite of what we read in the newspapers, that there's going to be a little more sensitivity shown by the present government. I can't stress how really important it is to save the core city we have. I wouldn't be enjoying my life in Don Mills if I didn't have the Beaches to go to, if I didn't have Danforth Avenue to go to, if I didn't have Spadina. When I take visitors in from overseas, where do we go? To the Scarborough Town Centre, to the Don Mills Centre, to Mel Lastman's beautiful downtown uptown, a devastated area? We don't. We go down to the city of Toronto. We're actually only suburbs of the city of Toronto.

Mr Turnbull: Cora, thanks for the presentation. I would like to bring out for the committee's understanding that when you and I started fighting market value reassessment, you were going to get quite a reduction in your taxes as a result of market value and you were still fighting against it.

Mrs Urbel: Absolutely. I was not interested. The only thing in this world that comes down, as far as I'm concerned,

is the rain. When they presented us with this beautiful scheme, the Ministry of Revenue and the Metro officials, "Oh, you're going to get a decrease," I wasn't interested.

What was a decrease in 1984, now, for no reason, on the same house in the same location—as I say, it needs a new roof; it didn't need it four years ago—suddenly is an increase of $600, which is not going to break me here or there. But if we have a system that's going to be floating around—you're getting $400 less one year and four years later you're getting $600 more, it's a shift of $1,000 on a property that you've done nothing to. But it's employed somebody in an office in the government to say, "This is what you do in 1984 and this is what you're going to do in 1988."

Mr Turnbull: You correctly bring out the point about the volatility of this system. It's particularly volatile in your area because of, as you mentioned, the fact that you had a lot of developers who moved in and bought these little bungalows and knocked them down and built monster homes. I would suggest that you, the people who didn't sell, who didn't want to sell and didn't move, are being penalized for the profits made by the people who did sell.

Mrs Urbel: Exactly.

Mr Turnbull: The evidence we've had so far points to some examples where people are paying ridiculously low taxes. There have been a few examples brought out of $600 and $800 taxes; I would say clearly these people are paying too few taxes, because no house can be serviced for that amount of money. But I do believe they're aberrations.

At the same time, the government refuses to help the tenants, who are paying ridiculously high taxes because their taxes are based upon 8% of market value as compared with 2.2% for single-family residential.

Mrs Urbel: There's no doubt that the whole system is in a mess. As far as I'm concerned, perpetuating a system that has been in place and updating it does not clean up the mess. We have to go back to the drawing board.

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Mr Perruzza: Welcome to the committee, Cora. It's good to see you again. The last time was the Don Mills secondary plan, I think—

Mrs Urbel: Was it?

Mr Perruzza: —when it was going through.

Mrs Urbel: Fighting to preserve our community.

Mr Perruzza: Exactly. Just one quick question: You know that the 1984 figures that were generated by the former Liberal government weren't actual assessments; they were just averages and the information that—

Ms Poole: On a point of order, Mr Chairman: I would just point out to Mr Perruzza, actually to reiterate his comment yesterday, that I don't want people in this audience to be misled. The 1984 values were actually from a 1982 reassessment brought in by the Conservative government.

The Acting Chair: Ms Poole, that's not a point of order; it's a point of information.

Ms Poole: It is a point to correct information.

Mr Perruzza: They weren't actual assessments and the averages that would—

Ms Swarbrick: On a point of order, Mr Chair: I'm wondering if there is any way we can take some action to prevent people from such abuse of points of order, because this has been happening consistently when I've been here.

The Acting Chair: Mr Perruzza, continue, please.

Mr Perruzza: Fine. Having said that, and not said that, you understand this isn't a system that was created by us, and we are currently on a market value system now.

In order to be able to effect any updates in the system or any changes to it—we don't like market value. I don't think any of us on this side likes market value. It's not something we're completely insensitive to and something we want to shove down people's throats, but we've had almost 200 years of market value across the province of Ontario. The only difference between Metro and the rest of the province is that Metro hasn't received successive updates in the return of the rolls. We have rolls that we return to municipalities that are largely out of date.

Mrs Urbel: Mr Perruzza, I know it's a property value system that has been more or less in place for years. The poll tax is even older than that and Thatcher lost her job in England when she brought in the poll tax. There are all sorts of ways you can tax people, and it's very difficult to make taxing fair, but you have to realize that when you look at a small town and you look at Metropolitan Toronto, it's impossible to compare, really, with such vastly different types of communities.

The fact of the matter is that we all agree the system is no good. So what's to stop this new government in Ontario from saying, "Okay, it's no good, let's work on something different"? Just because it has been in place—

Ms Swarbrick: That's why we've got all those reports in action because we recognize—

Mrs Urbel: Yes, you have a Fair Tax Commission coming, and I applaud you for that and other things your government has done, but don't force this through just because Tonks has been goaded by the Toronto Star for the last years: "Stand up and prove you're a man. Do it." Where is the Toronto Star today? They've moved to Vaughan.

The Acting Chair: Your time has expired and I thank you for your presentation.

VERA DICKINSON

The Acting Chair: I'd like to call on Vera Dickinson, please. To the members of the committee, Mr Chipperfield is not going to be attending and I've added a few minutes to each of the last presenters to take up the time.

Mrs Dickinson, will you identify yourself for Hansard, please.

Mrs Vera Dickinson: I'm Mrs Vera Dickinson. I live in the heart of speculator heaven. In 1988, they were running fast and loose, buying. To this day, properties are owned by companies or real estate personnel sitting on properties. There are mythical values put on those properties. In 1988, it was millions; now they're down to $1 million, $2 million, whatever they get away with. They haven't sold a

thing. On these figures, you're going to tax the person who's had property there and earned it and maintained it and paid for the maintenance? Somebody's being robbed here and it's the public and not the speculators. They're being subsidized.

They stay sitting on things. They put figures on the rolls where they said they paid that they never paid. They put mythical mortgages on mythical properties and all this goes down. That's fraud and we are being defrauded of our rightful property by these outrageous taxes that you propose, because 1988, which is the year I understand it's based on, was the height of the speculators' performance throughout Toronto.

Most of the section of Rosedale where I live has been speculated on with front persons by more or less one outfit, and they change. Yet the few people who remain who have had property and lived there and have children grown up are being penalized so that these bums should have even more money.

That's all I have to say for what it's worth, which is probably not very much.

Ms Poole: Just one question for you: You're familiar with Metro's plan that is now before the provincial government to approve?

Mrs Dickinson: Vaguely. I've just realized that I'm paying more than I should, that my taxes—I have had the property for 26 years. The property tax has gone up in the regular manner, or irregular manner. There's not a year that it hasn't gone up. Now they propose draconian measures because they have let those speculators get away with murder, and the banks are right with them. You talk of mortgage rates going down? Try and get a mortgage.

Interjection: It's the Conservatives.

Mrs Dickinson: No, it's not Conservatives. It's the banks and every government is subsidized by the banks or plays with them or it can't survive.

Mr Turnbull: I think you point to a very important aspect. Bob Rae, when he was in opposition, used to always roar about speculators.

Mrs Dickinson: Who was that?

Mr Turnbull: Bob Rae, the Premier.

Mrs Dickinson: Oh, yes.

Mr Turnbull: He always used to be angry and say how awful the speculation was, and yet his government is allowing an assessment to go through based on 1988 values—

Mrs Dickinson: Right.

Mr Turnbull: —which was the height of all prices and speculation, and so the people who did not sell their homes, did not take advantage of that speculative bubble—

Mr Perruzza: On a point of order, Mr Chairman.

The Acting Chair: There's nothing out of order.

Mr Perruzza: There is. There's plenty out of order, Mr Chairman, when one of the members is giving misinformation. The Bob Rae government didn't choose 1988.

The Acting Chair: Mr Perruzza—

Mr Perruzza: It was the Peterson government that returned the rolls for 1988.

The Acting Chair: Mr Perruzza, that is not a point of order. That's a point of disagreement and you can dispute that any other time.

Mrs Dickinson: Who will benefit from it, if not the Rae government? They don't have to exercise this option. They could alter it.

Mr Perruzza: We don't benefit from it.

Mrs Dickinson: Of course you do.

Mr Perruzza: Of course not.

Mr Turnbull: You're quite correct. Many of the Metro members campaigned on an explicit platform that they were against MVA. The ministers who are now in government, Frances Lankin, Tony Silipo, Marilyn Churley, Elaine Ziemba, all campaigned against MVA. They all voted for it on second reading and presumably will vote for it again—

Mr Perruzza: How did Chris Stockwell vote?

Mr Turnbull: The NDP member is talking about somebody in my caucus who voted for it. He's been consistent. He has always spoken for it, and one thing is very clear, in our party we are allowed to vote our conscience. We're not whipped into doing things we don't want to do. The majority of Conservatives voted against this, as did the majority of Liberals. The difference is that the government, every single one of them, voted in favour of this 1988 market value scheme, even though they had campaigned explicitly as being against market value.

My question to you is, can you have any trust in politicians who have one story when they thing they're going to be the opposition, and a completely different story that they have no choice but to pass this legislation for the municipality when they become the government? That's my question to you.

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Mrs Dickinson: Do you want an answer?

Mr Turnbull: Yes.

Mrs Dickinson: Well, I'll give it to you. I think most of them are crooks and that's why the country is in the mess it is in. Instead of working for a living and paying your due share, they just grab what you have earned and saved and paid taxes on, and it's a grabfest. Everybody takes what he can and walks because they're in for four years. The next bunch comes in, another grabfest—

Mr Turnbull: I have to say in fairness that I don't believe the government are crooks. I think that—

Mrs Dickinson: Not all but a good many of them.

Mr Turnbull: —they're ill-advised.

Ms Swarbrick: I think history will ultimately show what this government does with regard to tax fairness.

Mrs Dickinson: Well—

Ms Swarbrick: Sorry, if I may—with regard to tax fairness—

Mrs Dickinson: Like all history, they will write it the way they want it.

Ms Swarbrick: Please stay. I have a question I'd like to ask you.

Mrs Dickinson: Oh, do you?

Ms Swarbrick: Yes. You're pointing out your great concern with regard to the selection of 1988 as being the year. I know that I own my own home and at the time I owned a different home, which I later had to sell. The home I owned in 1988-89 was assessed at $300,000, although I had bought it for a lot less 10 years before, I'll tell you. When I had to sell it in 1990, it had decreased in value to $200,000, so it had decreased by one third of the value. That actually proves what you're saying, of course.

I wasn't worried about that in terms of selling because of course the same thing happened pretty well all round Metro, or basically it did. You might get the odd little fluctuation here and there in areas, but the house that I was buying then was also deflated by roughly the same, because effectively all homes pretty well went down by about a third. That was the average rule at the time.

What I'd like to ask you is, do you realize that whatever year is picked, the overall tax pool of dollars will stay the same? That's guaranteed by Metro, that the overall pool of tax dollars collected is not being affected by the selection of 1988 as opposed to any other year, and given that, all homes are adjusted by roughly the same. As I say, in that time period it was about a one-third drop that occurred in the values of all homes around Metro, but it really doesn't matter which year you pick. The question is, are you assessing everybody on the same relative market value or not?

Mrs Dickinson: I beg to disagree. Nineteen eighty-two was a very bad year for property. Take that as the real estate value—

Ms Swarbrick: But was it not a bad year for all properties?

Mrs Dickinson: —and I hung in there and I maintained it and then the speculators come in and I've subsidized with tax money, and you can write that down in history and now you come and go after the property tax. For what? For whom?

Ms Swarbrick: I agree with you wholeheartedly on the speculation issue. Because I know it's upsetting you, I just want to try and clarify—

Mrs Dickinson: It's not upsetting me. It's disgusting that I, at my age, have to come here and make a scene for nothing because I'm well aware it's for nothing.

Ms Swarbrick: When you say that 1982 was a bad year for all property—

Mrs Dickinson: Yes, a very bad year.

Ms Swarbrick: —do you believe that was the case throughout Metro?

Mrs Dickinson: Definitely.

Ms Swarbrick: Then, if the overall pool of tax dollars stays the same, is it not the case that everybody ends up paying the same relative tax dollars—

Mrs Dickinson: If you could hang on to your property, if you could pay your taxes, your maintenance, if you could hang on, yes, you have a little leeway, but there were lots of people wiped out. Who is compensating them for that?

Ms Swarbrick: Thank you, Mrs Dickinson.

TORONTO SOCIETY OF ARCHITECTS

The Acting Chair: Now I'd like to call on the Toronto Society of Architects.

Mr Lorne Cappe: On behalf of the Toronto Society of Architects—

The Acting Chair: Mr Cappe, would you please identify yourself for Hansard?

Mr Cappe: Sure. My name is Lorne Cappe and I'm chairman of the Toronto Society of Architects.

Mr Turnbull: On a point of clarification, Mr Chair: Could I just ask, is that covering Metropolitan Toronto or just the city of Toronto?

Mr Cappe: The Toronto Society of Architects' boundaries go up as far as Huntsville. We go quite—a large area around Toronto.

Mr Turnbull: Thank you.

The Acting Chair: Mr Cappe, you will have 20 minutes, which will include the time for questions and comments.

Mr Cappe: Okay.

On behalf of the Toronto Society of Architects, I'd like to thank the members of this committee for the opportunity to present the views of our members, the architects in the Toronto area. The Toronto Society of Architects is a voluntary, non-profit organization established in 1887 to promote excellence in architecture, urban design and city planning.

The Toronto Society of Architects is adamantly opposed to the municipality of Metropolitan Toronto's proposed market value assessment program. We believe that MVA would lead to a dramatic deterioration and decay of the city of Toronto. The proposed tax system is so onerous, it will become impossible for many people to maintain their homes and continue their businesses.

Toronto's population is currently declining and will continue to lose more of its population base with MVA. The quality of the city will continue to be reduced with MVA as stores, businesses and homes are boarded up. With fewer people being able to afford city living, it will not be possible to adequately maintain urban services, such as transit, schools, parks and community facilities. The very tool Metro is using to raise funds for these programs will in fact be what makes it impossible to maintain these services. A weakened inner city with a reduced population and economic base is a fertile ground for slums, less activity and vitality and ultimately an unsafe and forbidding urban wasteland. We only need to look south of the border to see what those are like.

Market value assessment threatens the very vitality and health of Metropolitan Toronto's cultural and economic heart. Any program weakening that core will lead to the deterioration of the Metro area.

The TSA has focused its efforts on promoting a strengthened and revitalized city of Toronto. MVA would literally undo all of the strides we've made. For example, over the past year the TSA has been monitoring the city of Toronto's new official plan, entitled City Plan. Through careful review of their work, through countless meetings

with planning staff and deputations to city council, we have offered suggestions on how to improve the plan. Our chief concern has been how new regulations might inhibit the growth and development of the city. We're currently working with the city in that regard. However, market value assessment is a much more serious threat to the health of Toronto. Any concern about planning legislation is insignificant when compared to the disastrous implications of MVA.

We have also been working with the city of Toronto over the past few years on the Housing on Main Streets initiative. This is a program sponsored by the province of Ontario. It's the province of Ontario's ministries of Housing and Municipal Affairs and the program would help increase the tax base in the city of Toronto by encouraging the construction of more buildings along Toronto's main streets. The concept is based on better use of city services. Market value assessment will remove any incentive to promote better utilization of the existing infrastructure.

More than 90% of the properties on main streets are owned by small business persons with very small parcels of land. Sometimes they're six metres wide, 12 metres wide, but the bulk of the properties, almost 94%, are less than 12 metres wide—very small. Market value assessment will act as a major disincentive to redeveloping these small properties. This is a threat to the entrepreneurial component to Toronto. It'll basically kill the small business initiatives. Market value assessment would destroy any hope of intensification on main streets and force the small business person right out of the city itself.

The TSA has also made deputations before John Sewell's Commission on Planning and Development Reform in Ontario. Our goal again is to ensure that planning in Ontario contributes more to the growth and health of our cities. We have also worked with David Crombie's Royal Commission on the Future of the Toronto Waterfront offering our support to its work on bioregional planning for the area surrounding Metro. Market value assessment undermines the important work of both commissions.

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The TSA has been involved with these projects because we're concerned about the future of our urban area. In the past, Toronto has been internationally recognized as a "livable city" and a "city that works." Toronto successfully avoided the problems which plagued so many North American cities in the past few decades, particularly the abandonment of the inner city and the destruction of the rich urban fabric which once existed downtown. MVA will create the horrifying situation that Torontonians have been working so hard and so long to prevent.

Toronto underwent many challenges that could have undermined its integrity and success over the past few decades. Due to the intense pride in the quality of life that Toronto has always offered its citizens, the threats to high-quality, stable, downtown residential neighbourhoods were successfully challenged in the late 1960s and the early 1970s. As a result, Torontonians have lived in residential communities well served by public infrastructure, a highly acclaimed public transit system, a high-quality public school system, adequate parks and community services. Residential communities have been well served by local main streets located within easy walking distance. MVA is the biggest threat that Toronto has ever seen and undermines all the successes achieved in the past few decades.

It seems most inappropriate to put such a back-breaking tax system as MVA on the very citizens who are the most efficient and cost-effective to serve. Toronto's compact urban form has offered Torontonians a rich and culturally fulfilling lifestyle. It has also led to the most efficient and cost-effective form of urban living in the greater Toronto area. Due to a much higher density in the city of Toronto than the rest of Metro, the provision of city services and infrastructure is much more efficient. Torontonians live within closer proximity to one another, on smaller properties and within walking distance to city services, community facilities, shopping and transit facilities. This pattern of urban living is much more efficient to service than in any other municipality within Metro and the surrounding area. Market value assessment will make it unaffordable and much less desirable to live in this manner, to the detriment of the entire region.

The citizens of Toronto should not be penalized for choosing to live within a responsible environmental setting. Living in higher densities, within easy access to local and regional services, entertainment, shopping and institutions is the best environmental model. The ability to walk, to cycle, to take public transit during the course of one's daily routine is the most environmentally sound pattern of urban living. Living in the city is a much less automobile-dependent lifestyle and not only helps preserve our air quality but also improves the quality of everyday living. MVA will discourage this and promote the exact opposite, which is urban sprawl which needs greater infrastructure to service as it's more costly to implement public transit and all the other public infrastructure necessary to support development.

We believe that MVA encourages sprawl at the expense of the city, thereby undermining the most efficient urban pattern and forcing the loss of our agricultural and green areas surrounding Metro. We were under the impression that the current government, the government of Metro, was interested in the environment. This is a tax that will actually work against the environment. As an alternative to market value assessment, encouraging growth within the existing inner city would reduce the pressure to continue to use land in the most consumptive way and increase the city's tax base. MVA works against this concept.

We believe that there ought to be large incentives provided to citizens who live efficiently in an environmentally conscious way, instead of punishing them through programs like market value assessment. It's true that living within the city of Toronto has always been considered highly desirable and therefore has had more value attached to it. Some of the most desirable cities around the world have very high densities and are able to provide good urban services in an efficient and economical way. Their governments actually reward the citizens of those cities for their contribution to efficiency and environmental consciousness. Citizens of Paris, for example, have the lowest property taxes of anywhere else in France. Policies have

actually been developed to promote the centre of Paris as the focal point of the region and the economic engine that drives the surrounding municipalities. There's a recognition that Paris is fundamental to the economic and cultural life of the surrounding region.

When the city of Toronto begins to decline and deteriorate, the Metropolitan area will undoubtedly follow. The city of Toronto is the heart and soul of the larger Metropolitan area. The success of the region is dependent on the health and life of the city centre. Market value assessment will eat away at the core of Toronto until it will become an empty shell and a less desirable place to live. With MVA, the same mistakes made by many other North American cities are about to be made here. Consequently, the same results will occur in Toronto. We support Jane Jacobs' opinion that MVA will result in a city for the very rich and the very poor. The working middle class will not be able to afford city living. Therefore, we predict that there will continue to be some well maintained neighbourhoods existing as islands surrounded by many more areas that will decay and deteriorate.

This is not the Toronto that we have always felt proud about, and we can't imagine that this is the kind of Toronto that people in the surrounding municipalities would like to live near and we can't believe it's the kind of Toronto that the governments of this region and the province would like to foster.

We have three recommendations. One is, obviously, stop market value assessment instantly. Number two is to continue to look at a true tax reform that will promote growth, as well as redress existing inequities. Number three, to investigate ways of increasing Metro's tax base by stimulating construction. We recommend supporting the province of Ontario's very own goals and initiatives to strengthen the existing urban areas through intensification, thereby building a better tax base. That's not happening. We should be luring business and residents to our city, not driving them away.

Let's begin to renew and rebuild Toronto, not dismantle it. Thank you very much for this opportunity.

The Acting Chair: Thank you. Ms Poole.

Ms Poole: Mr Cappe, I'd like to very much thank you for your presentation today. You have in a very articulate and fulsome way explained how Toronto will not be livable city if this plan goes through.

The main points I'm taking out of your brief are that if market value assessment and this plan go through, we will have large numbers of people migrating out of the city because it's more advantageous for them to live elsewhere; that small businesses will be quite devastated and there would be no hope of intensification on our main streets—it would force many of our small businesses out of the city; the third point is that you're talking about going to the scenario where we have the very rich and the very poor who are subsidized because of the loss of our middle class; and fourthly, you've talked about the environmental impact of the encouragement of urban sprawl.

In your opinion, given how forcefully you've presented this viewpoint, do you see any other way that we can help preserve our city if indeed this plan goes through? Is there anything we can do to try to counteract this very devastating reality if the government passes this plan?

Mr Cappe: I actually cannot think of a way. If market value assessment goes through, the damage is done. I think this is a retrograde tax, obviously, from my presentation, but we need to look at other ways instead of market value assessment to deal with the inequities that exist, and we agree that there are inequities.

We also agree that there's a reduced tax base and that has to be dealt with, but this is not going to help. This is going to create more of a problem. So if market value assessment goes in, I don't see how—the small businesses that we see, the small property owners are in a difficult situation as it is. There's an incredibly difficult general tax problem in this city and this province and this country, and the small property owner really wants to maximize his investment, and with all the layers upon layers of governmental regulation, it's impossible for him. It's impossible for a store owner to add a floor on top of his small building. He might have a two-storey building on Bloor Street. The rules and regulations don't permit it now, and market value assessment will continue to undermine that.

That's why the province of Ontario ministries of Housing and Municipal Affairs have looked at issues like that. They're coming up with proposals to change that, to actually make it a lot easier, and then once that's done and those changes are made to encourage that kind of initiative, market value assessment will wipe it out.

Ms Poole: Thank you.

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Mr Turnbull: Mr Cappe, thank you for an excellent presentation. The reason I asked the question as to what your area is at the beginning is, it's reasonable to say that your association does not represent narrow self-interest; it takes the perspective of the whole of Metropolitan Toronto and indeed beyond.

I take from your presentation the cry that this will lead to decay of the inner city, and you've asserted that. The inner city is more efficient; you said that. MVA removes incentives to redevelopment, and indeed that would mean that we could not move towards intensification, which has been the battle cry for the last few years. We've been talking about intensification, but zoning hasn't kept up with that, and I think this would tend to depress any possibility of that.

You also said that the inner city is more efficient to serve. I was most interested that you said this works against the environment.

I wonder if you could maybe expand on the two themes: that this will work against redevelopment and intensification and also that this will work against the environment.

Mr Cappe: In terms of the environment, as I said, the most efficient, environmentally conscious way of developing any urban area is through compact forms, through having people living closer together, where the services are easier and less expensive to provide. Obviously, if you have less distance to travel, pipes cost less. If you have

schools that are able to take in a catchment area where students actually walk to school, it's cheaper.

We've put billions and billions of dollars into Metro's transit system; streetcar tracks and subways cost billions of dollars. Right now, we're losing population as it is, and market value assessment will make it even worse. It'll be less efficient to run the infrastructure we have. I can see a scenario where we'll have to start closing subway stations. It won't be efficient to keep them going, because if we continue to lose population—and MVA will continue to do that—it just won't be economically viable to run the subway, or at least not all the stations, and I think that's a serious problem.

In terms of the environment, if you're encouraging people to walk, to bicycle and to take transit, the only way that can really work is if you live within a reasonable amount of density. A lot of people go to other places in the world—some people go to Europe and other places around the world—where you see very dense populations and you see the ability to walk and ride and take transit in a very easy manner and an environmentally conscious way.

The opposite is sprawl, which means having people live very far apart, away from their infrastructure, not even being able to get a quart of milk without getting into a car and polluting the environment. That should not be considered the same way as living in close proximity—with all the negative impacts: It's not always great to be living so tightly packed. There are downsides to it: It's a little noisier and a little dirtier at times. But the people who are living that way are living for the lifestyle, for the positive aspects, and it is also efficient.

In terms of redevelopment, as I say, it's difficult now to intensify. The zoning rules are changing—very gradually, but they are changing—but what's the point of changing the zoning rules if people won't be able to afford to pay their taxes, if people won't be able to sell their property so somebody else can come in and do a similar kind of intensification project? It wipes out the benefits of any kind of changes on the local level.

Mr Turnbull: We had an example yesterday of a lady who has a house in Scarborough, and she has a shop in Scarborough and a shop at Yonge and Eglinton. She stated that her house in Scarborough is backing on to a ravine with a view of the lake. She pays $3,000 a year and she's getting a reduction in her taxes. There's a little, tiny, unfinished apartment above her store at Yonge and Eglinton and the taxes now will be $6,000. She says it's just unrealistic.

Mr Cappe: Yonge and Eglinton is at a subway station, and the amount of money we all put in to build the public transit system and the subway is not being recognized. We should be encouraging people to live close to Yonge and Eglinton and Yonge and St Clair and Bloor and on the Danforth as well.

Mr Perruzza: You talked about how we should be encouraging people to live in the inner city, and that if market value goes through, everybody's going to move out. What you're saying is that there should be incentives and rewards for people living in a compact urban environment. So what you're saying is that we should build in inequities in our tax system that essentially reward some people and punish others, if I understood your argument correctly. What's fuzzy in my mind is where you would draw the boundaries. Where would you say, "This is where people should live, this is the geographic area in which people should get rewarded," and then if you lived on the other side of the street, beyond that geographic area, then obviously you should be paying more?

I think everyone here agrees with you that market value is probably not the best way to tax anybody. Certainly our party has always favoured the position that taxes should be based on ability to pay. You try to strive for that, but if you can't achieve that, I guess the next step down would be something similar to market value, because that also suggests to some degree, although it's not fully so, that some people can afford bigger homes or homes that are worth more, depending on when they bought them etc, and therefore there's some correlation to their ability to pay. Is that what you're saying?

Mr Cappe: First of all, how can you in all good conscience support any kind of tax system that you know isn't the best and isn't the right way to go? I don't understand how people who represent the people of this province and the people of Metro Toronto—

Mr Perruzza: We didn't create this system. It was the Conservatives, essentially, who brought it along.

Mr Cappe: I don't really care who created it. I'm talking about people who are in the Legislature now. If it's not the best system, don't put it in. It's a very simple way to do things and to think about it.

Mr Perruzza: But it's what we have now.

Mr Cappe: I'm not talking about punishing people. I'm talking about actual fairness. If it costs more to provide services outside the city of Toronto, in areas of very low densities, those are the people who should not be given the incentives. I'm not saying to tax them more, I'm saying that it costs more to service those areas, and if it costs more to service those areas, then they should be paying for the cost of those services. It costs less to service the people in the city. It's a simple issue of fairness.

Mr Perruzza: If you live on Post Road, you probably have one of the lowest densities around, but under our current system, by and large, those people get a break, and the homes are worth millions of dollars.

Mr Cappe: I agree there are inequities.

Mr Perruzza: I don't understand how that follows. In Downsview—

Mr Cappe: It follows because we're saying there are inequities in the system; we know that—

Mr Perruzza: Let me finish. In Downsview, we have a fairly compact urban environment. We have a lot of high-rises, we have a lot of small lots, we have a lot of semi-detached homes, and those people, essentially working class people, pay far more than they should be paying under our current system. You're saying to me, reward the people on Post Road—

Mr Cappe: I'm not saying that at all.

Mr Perruzza: Well, you're supporting the current system.

Mr Cappe: I did not say that. I was talking about tax reform.

Mr Perruzza: You're saying, "Support these guys on Post Road with these very low densities"—

Mr Cappe: Excuse me. You're putting words in my mouth, and I really resent that.

Mr Perruzza: I'm not putting words in your mouth.

Mr Cappe: Yes, you are.

Mr Perruzza: This is what you said. When we get Hansard, I'll send you the Hansard.

Mr Cappe: Can I actually state what I said so that you don't interpret it incorrectly? What I said is that there's a problem with the tax system as it is now. One of our recommendations is a true tax reform. I've never said that the status quo is appropriate for the people on Post Road.

I said there were inequities; it's in my third recommendation that there are inequities. I'm saying that this is not the system to deal with the inequities. This creates more inequities. What we're suggesting is to take a look at ways of taxing appropriately so the people on Post Road will not get the breaks they're getting. Maybe it's a tax based on size of property.

There are a number of things that should be looked at, but market value assessment is not the way. We realize there are inequities, but don't put in something just because it's here, it's on the table. It's wrong and it's not fair.

Mr Perruzza: So if the person on Post Road sells his house—it doesn't matter what his income level is—and moves into a 30-foot lot in the city of Toronto or in Downsview, for that matter, then that person should get a break and should be rewarded for having done that? Is that what you're saying?

Mr Cappe: If somebody owns a piece of property, it should be taxed on a fair system based on the cost of servicing the land. So if somebody's living in an area and it's very spread out and it costs a lot to service, he should be taxed on it.

Mr Perruzza: So farmers—

The Acting Chair: Mr Perruzza, I'm sorry. The time has expired. Mr Cappe, I want to thank you for your presentation.

Mr Perruzza: I've been watching my watch, Mr Chairman.

The Acting Chair: Well, I'm telling you that you've had five—

Mr Perruzza: Dianne got seven minutes. He got six and a half minutes, right? And I'm working on four.

The Acting Chair: No you're not. Mr Cappe, thank you very much. This meeting is adjourned until 1 o'clock.

The committee recessed at 1201.

AFTERNOON SITTING

The committee resumed at 1302.

The Chair (Mr Charles Beer): I now call the afternoon meeting of the standing committee on social development to order, Saturday afternoon, December 5. We're meeting to consider Bill 94, the Metropolitan Toronto Reassessment Statute Law Amendment Act, 1992.

JOHN S. WOODS

The Chair: I'd like to call John Woods, deputy city treasurer, the city of Toronto, to the table. Welcome, Mr Woods. Please go ahead once you're settled.

Mr John S. Woods: My name is John Woods. I'm deputy city treasurer for the corporation of the city of Toronto. City council, at its meeting on November 16, did move a motion requesting the mayor, members of council and appropriate city staff to make representations, if possible, to your committee.

As a first comment, I'd like to note that I'm in full agreement with the points raised by my colleague Wanda Liczyc, the treasurer for the city of North York, last night. There are a number of bureaucratic requirements in this legislation as proposed that should be changed or deleted.

At this time, Mr Chairman, Mr Minister and honourable members of the House, I do thank you for the opportunity to speak to you. The legislation before you is framed to implement the interim Metropolitan Toronto market value assessment plan. It is, however, my hope that the government and the House will be persuaded not to approve the legislation or, at the very least, to refer it for further study and review.

The bill seems to me to be being pushed through in an extraordinarily precipitate and hasty manner. It does have many features that would cause taxpayers and municipal councils and civic officials difficulty. If enacted immediately, it could cause serious harm to both the economic and social fabric of the municipalities in this region.

However, the need for reassessment is acknowledged across Metropolitan Toronto, just exactly as its chairman said in his remarks to your committee and as every statement from the city of Toronto indicates. However, this particular interim plan, as provided for in this particular legislation, is the wrong plan at the right time, in my view.

I have four instances to bring to your attention.

Mr Turnbull: On a point of order, Mr Chair: I just want a clarification. You just said, "wrong plan at the right time." Your text is—

Mr Woods: I didn't mean that at all.

Mr Turnbull: Okay. Perhaps Hansard could correct that.

Mr Woods: Thank heaven you said that. "It's the wrong plan at the right time." It's the wrong plan at the wrong time, in my opinion.

The Chair: Sounds like a song.

Mr Woods: In my first of four instances, the plan is being implemented too fast. There is no way for interim tax bills in 1993 to reflect the new plan. I mean, that's provided for, but it's an unfortunate situation. There is no way for Metro or any area municipality or for the school boards to meet the artificial deadlines to be imposed for adopting their budgets. In particular, ministry staff advise there is no way the Ministry of Revenue can meet the prescribed deadline for delivering the necessary assessment rolls that are an essential prerequisite for calculating 1993 mill rates. They cannot do it on time.

I respectfully suggest to your committee that you should inquire into these circumstances before supporting an effective date in this legislation of January 1, 1993. It's too early. There's insufficient information available to permit tax billing systems to be redesigned and related computer systems specifications drafted. Bill 94 requires essential information to be provided by regulations and by Metro bylaw, and these are not available now and may not be available for some time.

There is insufficient time to reconstruct computer files which have been built to provide for one single assessment figure or field and which would now have to allow for three different fields: the new market value, the new assessment and, for records purposes, the old assessment. It can't be done before 1993 tax bills must be printed. There is insufficient time to reprogram and to test all modules of existing systems so that all these modules will refer to new file locations.

This is a Metro council initiative, but it is the area municipal treasurers who are required to bill and collect taxes. I do respectfully suggest to your committee that you should check with each area municipality on whether they can have satisfactory systems in place in good time to reflect this legislation for 1993 tax bills.

In my second of four instances, I believe there are specific provisions in the legislation that are not fair or right, and some matters not included which should be.

For example, half the remaining partial graded exemption is being taken away from residential taxpayers in the city of Toronto by subsection 214.3(7). This is being done without discussion at Metro council, without discussion at Toronto city council or anywhere else. Why is this necessary when Toronto has already adopted a much gentler phase-out over five years?

Why is there no requirement for Metro to reimburse area municipalities for costs incurred only because of the complex and unusual provisions in their plan?

Why is there no requirement in the legislation for the Ministry of Revenue to reimburse area municipalities for costs, including lost interest revenue, that could arise from any late delivery of assessment rolls?

Why is there an April 1 due date for budgets set when, as far as I am aware, not Metro, no area municipality and no school board has set a budget by then in any of the last 10 years?

How can legislation be administered that is not clear in its definition of such important matters for the public as "1992 base tax" or "change of ownership"?

How can legislation be administered which does not clearly distinguish between commercial and industrial property?

I do respectfully suggest that your committee should require further information to be given you as responses to these questions.

In my third instance of problems, this legislation does not deal with business improvement area levies. That is a local levy, and in the city of Toronto we have some 27 business improvement area levies each year with some hundreds of business persons in each area. There is no provision for protection to business persons in such areas who would pay realty and business taxes on one basis, but any business improvement area levy on a wildly different basis.

I respectfully suggest that your committee should require much more information on this important matter.

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In my fourth instance, there are no enforcement or penalty provisions and no terms of reference included in the section of the act discussing a 1998 to 2002 Metro plan. You should be aware that the Metro council formally requested its chief administrative officer to bring forward a plan for developing such a further and final plan at the same time as the current interim plan was before it. This was not done, not even attempted to be done, which is unfortunate.

In the legislation with respect to this 1998 to 2002 Metro plan, there's no requirement for economic or social impact studies, nothing to require consultation with area municipalities and school boards, no requirement to study alternative assessment plans and nothing to make it certain a further plan will be brought out at all.

I respectfully suggest to your committee you should require a much fuller description in this part of the legislation of what is to be done.

At this point, I'd like to mention that the interim Metro plan before you is not a full MVA plan. In fact, a full MVA plan has not been described to Metro council or to yourselves. The last time some such plan was described was in the 1984 Metro impact study, and at that time there was a considerably different impact on my municipality, the city of Toronto.

I would suggest that you might like to obtain information on the difference between option A for the Minister of Revenue in this legislation of full market value assessment plan and option B, which is the only basis being considered by the interim Metro plan.

From a practical administrative point of view, this legislation does not seem possible to administer right away. From a public information point of view, there is considerable relevant information that needs to be obtained, distributed and discussed, in my opinion. From a tax impact point of view, there are large numbers of persons to receive tax increases in difficult economic times and a great deal of uncertainty created for them about possible future tax increases.

I respectfully suggest your committee should not support this legislation, and should at the very least recommend that it be referred for further study by the Ministry of Municipal Affairs.

Mr Chair, thank you for the opportunity to be here.

The Chair: We'll move to questions. Ms Poole?

Ms Poole: Thank you, Mr Woods, for your presentation today. You've raised a number of very interesting points. One of them is that you say that an April 1 due date for budgets set hasn't been done before by Metro, nor the area municipalities, nor in fact the school boards, yet why, suddenly, is there an April 1 due date set for this plan? My question to you is, do you believe that this legislation needs to be passed by December 31, 1992, in order for it to be implemented by Metro for next year's tax year?

Mr Woods: In response to the question, if it's to be adopted for 1993 taxation, certainly it would have to be passed right now. There's so much to be done by the Ministry of Revenue in terms of notices, open houses, clarification and roll returning, and there's so much to be done by systems changes.

Whether it should be done is another question, and I don't think it should be done this year, for two reasons, administratively. Number one, we aren't doing interim bills. We aren't starting from the beginning of the year with appropriate tax billing systems. There's going to be a horrendous impact at June 15 when the full impact of these increases hits quite suddenly. From my systems point of view, I'd like a lot more time to put things together and test them.

Ms Poole: A second question: You've asked why there's no requirement for the Ministry of Revenue to reimburse area municipalities for costs including lost interest revenue arising from any late delivery of assessment rolls. I can't answer that question for you, but it's a good one. But we have the Minister of Municipal Affairs here today and perhaps he could respond to this particular matter.

Hon David S. Cooke (Minister of Municipal Affairs): I've taken note of a number of the concerns you have. As you've indicated all along in your presentation, there are a number of questions that are essentially bureaucratic items that you've raised which I don't think you'd expect a policy person to have the response for. So I've already indicated that I want to go through your brief with the ministry officials from Revenue and Municipal Affairs on Monday morning.

Mr Woods: I appreciate those comments very much. It is a particular concern that if final tax bills are delayed past a normal date, say June 15 for the city of Toronto, there could be, given the volume of our billings—1.8 billion per year—an extraordinary carrying cost incurred for our expenses. But I thank the minister for his comments.

Mr Turnbull: I won't reiterate the comments Ms Poole has made because I think they're very valid, but let me move on to the volatility of this plan. I believe that according to the 1984 market value studies which were done, it shows that if Metro had gone to pure market value there would have been a net reduction to the city of Toronto of some $20.5 million and there would have been a net increase to the city of Scarborough of $26.4 million. Is that correct?

Mr Woods: That is correct information from the 1984 impact study of Metropolitan Toronto, yes.

Mr Turnbull: And that's on pure market value.

Mr Woods: Based on 1984 market values using 1986 mill rates.

Mr Turnbull: In other words if, as has been suggested by some members of the government caucus, they would sooner see pure market value, the constituents they represent would in fact get increases under such a scheme.

Mr Woods: Yes, sir.

Mr Turnbull: So, conveniently, we have a situation where the city of Toronto is being forced to accept what used to be called a section 63 in order that the suburbs get reductions.

Mr Woods: That's perhaps the case. I'd like to comment that it was a clear decision of the Metro council a couple of years ago not to go with pure market value in requesting an interim reassessment, but I think it difficult that there has not been descriptive information put before Metro or this committee on what is the situation under what was section 70, a pure market value, if only to allow comparative information to be considered by the responsible parties.

Mr Turnbull: Am I correct in thinking that the assessment has not been completed for 1988 and in fact there may be some nasty surprises for Scarborough and North York?

Mr Woods: I think the Ministry of Revenue produced very complete information on tapes. What I don't think has happened is that all of us in the area municipalities or all of the responsible officials at Metro have had any time or ability to review all the individual circumstances. It's been a process all the way through discussion of this Metro interim plan that for individual properties in the city of Toronto there are unusual situations. We're aware of the La Scala restaurant and the motor dealer out in the west end. There must be similar situations in the city of Scarborough, and I refer you particularly to the golf course. But that's Scarborough.

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The Chair: We have to move on now.

Mr Robert Frankford (Scarborough East): On the problems you raise about implementing in a timely fashion, have you discussed these with your equivalent in the other municipalities?

Mr Woods: Yes, indeed. These have been discussed with the treasurers of the other municipalities, and in the subcommittee of the Metro staff task force. It's fine. There's a phrase about knocking your head on a brick wall. Written submissions about the difficulties with this plan have been made by city of Toronto staff and by North York staff, and I believe by other representatives of area municipalities through their representatives in the subcommittee. They have not been taken into account, in my view. All our concerns certainly haven't been resolved.

Mr Frankford: I represent Scarborough. Is Scarborough expressing the same concerns that you are?

Mr Woods: The treasurer, Mr Creech, is a member of the Metro task force and the manager of revenue for Scarborough. Estelle Lo is a member of the subcommittee. Each person has made appropriate representations at his level of these working groups to get his administrative concerns responded to. They too, for example, like Wanda Liczyk, like us, wanted draft legislation a long time ago and have not been able to obtain it, either to comment on it or to work with it. Yes, Scarborough staff have made appropriate representations on operational matters.

The Chair: I'm afraid we'll have to move on to the next speaker. Thank you very much for your presentation.

Ms Poole: I have a request for information.

The Chair: Yes.

Ms Poole: Earlier, when I asked the minister to respond to one specific question, I failed to make clear that I would like the ministry, and also the Ministry of Revenue, to respond to all six points made in Mr Woods's brief. This is in addition to the request I made yesterday from the city of North York treasurer. I might just add, I asked Mr Woods if the city of Toronto concurred with the city of North York yesterday on those administrative matters and he said, "Yes, 100%." I meant to ask him that question, but I did want that on the record.

The Chair: I believe he also indicated in his remarks that he agreed with the brief of yesterday. Your questions are noted.

AUDREY BIRT
PETER TOMLINSON

The Chair: Would Audrey Birt come forward, please.

Ms Audrey Birt: My name is Audrey Birt. I'm the director of taxation and water revenue for the city of Toronto.I would like to thank you for this opportunity to come before you to speak on Bill 94.

There is no doubt that there are inequities existing currently in Metro, but instead of trying to find a long-lasting solution, Metro council chose to implement a plan that will worsen the problem for many low-income taxpayers across Metro. They made that decision based on the assumption that the information provided to them was accurate and a true reflection of the impact on their constituents.

The assessment information provided to Metro in August by the Ministry of Revenue was only a snapshot at that time and distorted the assessment picture for area municipalities, a picture that they could expect to see in 1993. The actual assessment figures for 1993 will look significantly different, affecting the area municipalities' share of the Metro levy, enough to remove many promised tax decreases in Scarborough and other municipalities. Although advised of the problem, Metro staff have continued to provide elected officials and the public with financial information on cost-sharing and projected tax changes based on the original impact data, rather than awaiting the update offered by the Ministry of Revenue.

Metro council was led to believe that administrative processes and systems were in place in area municipalities to accommodate the Metro plan. This was and is still not the case. Area treasurers and tax collectors continue to meet with Metro staff to try to obtain definitions and details of

the proposed plan in order to determine the administrative changes necessary.

The last-minute changes recommended by Metro staff to Metro council and subsequently adopted were not discussed with the area municipalities or school boards beforehand. Staff of the school boards were not given the opportunity to participate in the administrative discussions of the plan, yet the school boards' share of the tax bill is in excess of 50%.

The Metro interim plan, with its last-minute changes, was not well-thought-out. The criteria adopted will continue the inequities currently in place and not move us closer to fairness. I have attached two charts that identify some of the inequities that the Metro plan will cause.

The area municipalities have recognized that they will require significant changes to their accounting and budgeting procedures as well as their tax billing and collection processes should this legislation go through. Bylaws and supporting policies will have to be reviewed and appropriate changes made to prevent court challenges. As yet, we do not have sufficient information from Metro to make these changes. The plan cannot be effectively implemented for 1993 taxation.

Facing a late return of the assessment roll and incomplete and untested transition processes, area municipalities will face high risks, which will result in taxpayers having to bear the full-year impact of tax increases in a six-month period. This will result in cash flow problems for many taxpayers and increased collection problems for area municipalities.

Local area municipal and school board budgets will be impacted by Metro's plan. There is insufficient time to identify all of the budgetary impacts and take appropriate action to prevent significant hikes in local area mill rates. To not do so may result in tax revolts in many areas. With so much unresolved and at risk, it does not make sense to legislate implementation in 1993.

The Metro interim plan, which may seem simple when presented in broad percentage terms, becomes complex and difficult to explain to taxpayers when applied to individual properties.

Metro is requesting permission to implement a plan that will cause significant tax shifts: shifts between classes of properties and between public and separate school supports. In addition, their plan will result in pooling of local area levies with respect to the local share of abatements and surcharges. Yet we are not aware of any school board that has been consulted on the impact of shifts between the public and separate school supporters and there is no record of the local area councils agreeing to that kind of pooling of the local levies. Accountability for elected officials may become a serious issue as a result.

Many of you may not see this as a problem, as other municipalities have phased in market value reassessment on a region-wide basis. But Metro is different. The majority of Metro council members are separately elected. They are elected to deal with Metro-related matters and do not sit on area councils. This legislation appears to allow them jurisdiction over tax matters and levies that are currently the mandate of the local area councils and school boards.

I have serious concerns about authorizing an upper-tier municipality with separately elected representatives to set tax policies that may impact negatively on the local area municipalities' ability to administer and collect taxes for their own needs and those of the boards of education. At a time when governments are striving to reduce bureaucratic red tape and help taxpayers acquaint accountability with their elected officials, why would you support legislation that will move us farther away from that objective?

The proposed legislation prevents us from levying for our own purposes or those of the school boards until Metro provides us with its figures. This may have a very negative impact on interest revenues and cause an increase in bad debts. This limitation in the legislation is unreasonable and unnecessary. It was never discussed with the school boards and area municipalities.

There is no requirement for Metro to reimburse the local area municipality for costs and losses incurred by its plan. Current legislation requires local area municipalities to pay the full cost of any phase-in that they wish to implement. Why is the province supporting legislation that does not require Metro to bear the costs of its plan, but expects the area municipalities to bear the financial burden?

The current economic situation in Metro is serious. To date, the city of Toronto has processed more than 5,000 applications to cancel business taxes due to business closures this year. More than $25 million in taxes in the month of November alone have been cancelled. Metro's interim plan may appear to be a gentle move towards equity, but I honestly believe that it will mean the demise of many more businesses throughout Metro. The resulting loss of jobs and neighbourhood decay will be the only measurable result of this legislation. Who pays the tab then, when there is no commercial base on which to draw?

1330

All of this for what? Equity? The proposed legislation allows Metro council to manipulate the tax burdens without an attempt at equity for all properties or an understanding of the economic impact on the communities in this metropolis. It requires no consensus or even consultation with the elected representatives on the area councils and school boards. Their plan discriminates against some home owners. This will happen regardless of whether reassessment at time of sale is allowed, as newly constructed homes in future years will be faced with taxes based on full market value.

Ease of administration? The proposed legislation allows Metro to impose requirements on area municipalities that will result in complex changes to procedures and systems and open us to costly court challenges.

Understandability? Metro staff have yet to be able to articulate the details of the capping provisions.

Accountability? The legislation further entangles the roles of elected officials in the municipal and educational fields. It will enable Metro council to make decisions that have significant financial impacts on area municipalities and school boards over which they have no jurisdiction. It involves them in the tax administration process that is the mandate of the local area councils.

Why change now? Many months of hard work have been carried out by the property tax working group of the Fair Tax Commission. I had the honour of participating in that process, and we have finished our report. It contains many sound recommendations for changes needed in property taxation. Why implement legislation at this time that does not consider the work of the Fair Tax Commission's property tax working group? Why implement interim changes that have a lifespan of five years when such changes have high pricetags to be borne by taxpayers, disruption of tax administration procedures and systems, and confusion and frustration for taxpayers as well as the obvious negative economic impact on the commercial sector?

Please vote down this legislation. Instead, step back, take a look at what really needs to be changed in the municipal property tax process, read the Fair Tax Commission's property tax working group report and then develop legislation that will really address the inequities and flaws in the current system. Allow sufficient implementation time periods to allow the area municipalities to provide for a smooth transition. Make changes that are meaningful and long-lasting, not ones that will kill the heart of this province. Thank you very much for the opportunity to speak to you today.

The Chair: Thank you very much for your submission and the table at the end.

Mr Turnbull: In view of the excellent points that have been raised by Ms Birt, I would like to defer my time. I believe Ms Poole would also like to defer her time to extra questioning of the next witness, who is from the same organization but has some extra expertise that can maybe be brought to this, if you don't mind.

The Chair: If the committee wishes, I can call the next witness and both can stay for questions. Is that agreeable to you? Then I'll call Peter Tomlinson. We have a copy of your submission; please go ahead.

Mr Peter Tomlinson: Rather than read it, Mr Chairman, I could try to boil it down to a few points, at the risk of maybe having to wince when I look at the transcript.

I think these hearings have been very useful in identifying issues and pointing to impacts that weren't properly understood when we began these hearings. These are the hearings that Metro never had. Metro had plenty of hearings on earlier versions of this plan, but the plan changed significantly after the last opportunity for public input, so this is the only opportunity here, over the last week and over the next couple of days, to have an in-depth look at this plan as it now is before you.

I think, of all the issues that have come out at the hearing, the one that is of most significance to the province of Ontario is what I'll call the spillover damage issue, the impacts that spill over the Metro boundary and stand to hurt people outside Metro. For power consumers all over Ontario, we heard yesterday it's $60 million. For railway workers in all parts of Ontario, we've heard from the unions and from the railways that there could be hundreds or thousands of jobs at risk outside Metro. The people who stand to be damaged here are not represented on Metro council. They're represented by you, the province, and only you can look out for their interests.

These spillover damages are traceable to one feature in this bill. They're traceable to the non-capping of rail, utility and vacant land properties, the properties Metro decided to exclude from the protection of capping. If Metro had capped everyone, we wouldn't be here talking about spillover damage. There would be plenty of issues for the hearing to look at, but most of what would happen as a result of this reassessment would be internal to Metro, at least arguably a local issue. The dollar impact of these spillover damages I'm talking about, the $60 million on Hydro, the $40 million on CN, all of that would be maybe 5% to 10% of what we're talking about here had Metro capped everybody.

So you have this feature of the plan, which I think is uniquely of concern to the province. Let me contrast it with another feature, the non-capping of single homes after they sell. You can say on that issue: "We don't like it. It's inconsistent with our compromise approach. It's a lot more consistent with transition to full MVA, but it's for Metro to decide whether it wants to do that. It's a local matter."

With the non-capped rail/Hydro/vacant-land properties, it's demonstrably not a local issue; people all over Ontario are affected. There are really only three positions you can take, now that that has been so clearly brought out at these hearings: the hundreds and thousands of jobs at risk, the tens of millions of dollars that gets shifted to people outside Metro in added burdens.

You can say, as the Hydro brief asks you to do, as the CN brief asks you to do, as the CP brief asks you to do: "We represent the people of Ontario as a whole. We will require Metro to cap everyone." That is one option that is certainly open to the province, and I'll talk about that later on.

A second option that's open to the province is to say: "We've looked at this. It's true that it's not consistent with our compromise approach, but we've decided it's fair. We've decided that people all over Ontario should pay some of the burden of this reassessment, even if it is tens of millions or hundreds of millions of dollars. We've looked at it, so we're putting the plan through now as it is. Having thought about that point, that's our decision."

If this bill now goes through unamended, implicitly or explicitly, that's what you're saying to the people of Ontario: "We've decided, even though all these burdens are going to get shifted to you across the Metro boundary, even though it's inconsistent with a compromise approach that we, the province, have taken, we've decided it's fair. Let's do it."

The third thing you can do, now that these spillover damages have been so clearly identified at the hearings, is say: "Let's take a more careful look at this. I think that would be the wisest course of action. Let's study it in greater depth." We don't need to talk about that option now, because that option would not be one we'd have to look at immediately.

But let's look at the second course of action that I suggested is open to the province, to say, "We've seen these negative impacts, these spillover damages that go outside Metro to all Ontarians, and we've decided to go

ahead anyway." What that says is that the province has in effect bought into what Councillor Cavalier said yesterday, who is the principal architect on the political level, on Metro council, of the reassessment plan. He told you very candidly that it was a political decision: "We had to keep together 18 votes. We had to leave these properties uncapped and put the 200% and 400% tax increases on them because we needed the money. We needed the money so that residential taxes could go down $57.8 million in Metro, which is what is required if they're to have no more than a 10% increase and if they're to have only a 50% clawback of their decreases." Councillor Cavalier was extremely candid yesterday: "Why are these properties not capped? We made a political judgement. We needed the money. We had to hold together 18 votes. We needed the money to hold together those 18 votes."

So the province would in effect be buying into that political judgement and saying it is an equitable result for people all over Ontario to pay for this so that Metro's political balance can be maintained, so that we can have only a 10% increase cap on residential, even though other properties are capped at 25%, and so that we can have residential decreases clawed back only to 50%, whereas commercial is clawed back 75%. That's in effect what you'd be doing.

1340

I'd like to turn to the table at the end of my brief, if I could, which is from Metro and shows the interclass shifts of the reassessment; this table was also attached to Mayor Rowlands's submission. You see in the top row, residential properties, a decrease of $57.9 million. That is the effect of the reassessment, how the change in assessment vis-à-vis the vacant land, vis-à-vis the railway properties, affected those residential properties; plus an explicit subsidy, which Metro acknowledges it is paying, of $20 million, in order to have no more than 10% residential increase and in order to have a 50% clawback of residential decreases, which was critical to keeping those 18 votes together.

There were people on Metro council who said, "If we don't get at least 50% of the decreases, we're jumping overboard." There were other people who said, "If the increases are a penny more than 10%, we're jumping overboard." So as Councillor Cavalier told you yesterday, they had to have that $57.8-million drop in residential taxes to make this thing fly politically.

Where are they getting that money? Look on the table. Not from commercial; it's almost break-even. Not from industrial; that's another $20-million net reduction. It's coming from "other," which is vacant land; it's coming from pipelines and rights of way, the uncapped properties. That's why Councillor Cavalier told you yesterday, when you asked why they didn't cap everybody, "We made a political judgement and it's based on these numbers." These numbers are essential to holding together those 18 votes.

So those are the implications of going ahead now without amendment: "We're buying into the Metro political judgement and we're saying it's fair, implicitly or explicitly. To the people of Ontario, whom we represent, we're saying this is fair. Even though people as far away as Thunder Bay are paying for this, based on these political judgements, we think it's fair."

The second course of action that I suggested is open to the government, bearing in mind that the local issue spin, if I may use that word, is not available when we talk about the uncapped railway, vacant land and utility properties, because it's so demonstrably not a local issue—in addition to going ahead without amendment, buying into the Metro political judgement, the first option I mentioned is to put the caps on, to say to Metro, "Cap everyone," as so many of the briefs that have come here have told you to do.

I have access to the Metro computer tapes; we got that under freedom of information, and that option could be accommodated within the plan. Instead of having the residential tax decreases allowed at 50 cents on the dollar, it would probably be only 20 to 25 cents on the dollar. It would certainly not be as politically attractive, but it could be done, you could have universal capping in this plan. Of course, it would fit much better the province's concept of this plan as a compromise, as a limited form of MVA. There would still be some tax decreases, albeit not as politically attractive as under the plan that's before you now. So that option is certainly available to the province, as so many of the briefs have asked you to do.

Let me try and sum up. The provincial government is the only political agency that can act on behalf of all Ontarians, so many of whom are negatively impacted by this reassessment. It's simply not open to you to pass the buck to Metro on the issue of the uncapped properties. It's demonstrably not a local issue. If you do say, "Let's hope Metro caps everybody; let's implore them to do it; let's give them the option," it's 99.9% certain that they will not take the option of capping everyone, because the political calculations that Councillor Cavalier so candidly told you about yesterday still hold. In fact, if anything, Metro's even more likely to do it this time. Now that they've learned how much of the burden they can shift outside Metro, they may say: "Hey, this is even better than we thought. Let's go ahead without the caps, because people all over Ontario pay for our reassessment."

You can't hand someone an option that they've already shown they'll take, that hurts people all over Ontario, that is now even more attractive to them than it was before, and then say, "We beg you not to avail yourselves of that option."

The Chair: Thank you very much. We'll begin questioning.

Mr Turnbull: Peter, if you don't mind, I'd just like to get your credentials on the record. Am I correct in thinking that you have your PhD in economics?

Mr Tomlinson: That's right, I do, from Johns Hopkins University in Baltimore.

Mr Turnbull: And I believe you lecture?

Mr Tomlinson: I'm a lecturer in urban economics at the University of Toronto, as I have been doing for the last 12 years.

Mr Turnbull: And I believe you're also a member of the Fair Tax Commission property tax panel?

Mr Tomlinson: I'm on the property tax working group of the Fair Tax Commission; that is correct.

Mr Turnbull: Thank you. I'd like to have a lot of quick responses, first of all. When is the Fair Tax Commission property tax panel going to report?

Mr Tomlinson: It will report on Wednesday next week.

Mr Turnbull: In other words, we're pushing this through before we see the results of the Fair Tax Commission?

Mr Tomlinson: If indeed we are pushing this through.

Mr Turnbull: It appears that way. Can you give me a sense of what the Fair Tax Commission thinks of Metro's MVA plan?

Mr Tomlinson: It believes that the transition elements, which are the capping and the interclass shifts that are reflected in the Metro plan, are inappropriate. That is the opinion of that report that will be released on Wednesday.

Mr Turnbull: Overwhelmingly, the people who have been coming here have been condemning this plan; in fact, I've never sat on a committee where the preponderance of people were against the bill. The Fair Tax Commission I believe looked at a comparative set of numbers, using Pickering as the model, of income tax by household, market value, unit assessment and various other plans. Can you comment on that?

Mr Tomlinson: What the property tax working group concluded, based on that study of Pickering, is that you don't need market value assessment to have a good ability to pay tax, a tax where the tax burdens fit household income or ability to pay. In fact, no property tax is very good in that respect. Market value assessment, unit assessment, which is based on the dimensions of your property, are all about the same. They all reflect ability to pay equally badly or equally well. So the working group said, "Let's take another look at unit assessment, let's have further study," because it avoids so many of the problems of market value assessment without being any worse in terms of ability to pay.

Mr Turnbull: Would unit assessment be less expensive to administer?

Mr Tomlinson: It would be far less expensive, because you only have to measure properties rather than value them, and you don't have the appeals.

Mr Turnbull: And you would have a one-time assessment and it would be stable.

Mr Tomlinson: Once you've gone through it once, that would be it. You wouldn't have to do it every four years as you do with MVA.

Mr Turnbull: I've heard it suggested that it's costing the province something in the region of $200 million a year, including appeals, to do assessments. Could you comment on that?

Mr Tomlinson: I wouldn't be surprised at that figure. You need the whole assessment function of the Ministry of Revenue, which is I think upwards of $100 million, and then in addition you've got the private sector costs of all these appeals: People have to hire lawyers at $400 an hour.

Mr Turnbull: This shift of money over to the uncapped areas, the railway rights of way, hydro and things like this, and it's going to hit Go Transit: You make a very compelling case that the costs are going to be spread right across the province, yet the government would have you believe that it has no choice but to pass this enabling legislation.

Mr Tomlinson: I think the government saw this as a local issue before the hearings started. The approach they took on the resale homes, that it's not a very good idea but if Metro wants to do it, it's for them to decide, I think they carried that same approach to the whole bill. But now in the hearings, we've learned about this spillover damage, the tens of millions of dollars that get pushed on to other people who aren't even in Metro, who aren't represented by Metro council. Given that, the government has a responsibility here, and I've identified the options open to them.

The Chair: Mr Turnbull, sorry, this is the last question.

Mr Turnbull: I think you've very well encapsulated the problem that Scott Cavalier exactly said, that this was a political judgement. Surely we should not be sanctioning something which is a political deal that's been cooked up. We should be looking at the best interests of Metro. Many presentations, particularly this morning from the Toronto Society of Architects, suggested that this could lead to a significant impact on the inner core of the city and would discourage redevelopment and intensification, which has always been encouraged in the past.

Mr Tomlinson: I wrote my brief the night before Councillor Cavalier gave his presentation, and I didn't dare say "a political judgement." I said "what some would see as a political judgement." When that question of "Why didn't you cap everybody?" was posed to Chairman Tonks, he wasn't nearly as clear as Councillor Cavalier, but he said it for me: They had to hold together 18 votes. They managed to hold together 20—even better; it gave them a bit of a safety margin—by ensuring that residential got that favoured treatment. They needed the money from the uncapped properties to pay for that.

But what you mentioned about the Society of Architects does raise another provincial interest which I haven't focused on today: the planning interest, the intensification versus sprawl, which this government has been emphasizing so much.

If market value assessment is what this turns into after the caps are off—and the pressure is certainly there in this plan to take the caps off—once you look at your tax bill and see the surcharge to pay for other people to be capped, then I think full MVA would work very much against intensification of urban form, as the Society of Architects has said.

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And a lot of the insidious damage you would get with full MVA will happen even with the caps. If you're a business on Bloor West, you open your tax bill, you see that full MVA hit, then a temporary cap adjustment to bring you back down, what should you do? Obviously, get out of that area. The business will survive, but the commercial district will be red-lined just as surely as though a bank had done it.

Ms Poole: Thank you very much for your presentation. There has been a fair amount of debate on this committee

about whether there was or was not a provincial responsibility vis-à-vis Metro's plan. The government has taken the position that this is Metro's plan—in fact, Metro's legislation—and that it should not interfere. I think you've given a very compelling reason why it is a provincial responsibility, a responsibility that the province must take up if it is to look after the interests of the people outside Metro.

I'd like to ask questions in two areas. The first area is to further your discussion about the deal that was cooked up at Metro which resulted in a shift between classes. When I brought this up with Councillor Cavalier yesterday, he said to me that preventing a shift between classes was not one of the goals of their assessment plan.

Yet I go back to Chairman Tonks's presentation on Monday night—and this is a direct quotation from Hansard, at 1915-2—where he talked about the benefit of the public consultation process. He said, "The plan was modified to reflect"—and then he named three concerns. The first is, "Capped tax increases should be funded with decreases from within the same property class."

The chart that you showed us this afternoon, it seems to me, very clearly shows that this indeed did not happen. I guess Councillor Cavalier has given the reason it didn't happen, that it was a purely political decision. Would you like to comment on that particular aspect?

Mr Tomlinson: I think what Councillor Cavalier said is, "There used to be a much bigger interclass shift, so you should be thankful it's only $57.8 million in this version of the plan." This table that shows the actual class shifts Metro published and then very quickly unpublished: It was not put on the Metro agenda, it was not shown to the board of trade, it was not shown to the Toronto economic advisory council. I'm sure if Metro were able to, it would find a way of walking away from it, but we have the computer tape and we can recreate that $57.9-million shift ourselves. It's there.

Roughly $37.8 million is that the reassessment process already reduced those residential properties vis-à-vis the vacant land and other properties that are uncapped; then on top of that, because they couldn't balance the books with a 10% cap on increase and a 50% clawback, they said, "We'll have to throw them another $20 million at the expense of commercial to make it work."

Ms Poole: My final question is related to your response to Mr Turnbull's question, where you mentioned that one thing you hadn't gone into in great depth was the impact on the urban core, the rot that might set in, that in fact it went against provincial documentation and provincial policy over the last number of years regarding intensification. A recent document put out by the Office for the Greater Toronto Area stated very clearly that the form of taxation chosen must support compact urban form, and it went into some detail on why this was important. In your opinion, does the Metro plan which is now before the government to make a decision upon comply with that provincial directive?

Mr Tomlinson: It definitely does not. The only defence that could be made of the Metro plan with respect to that compact urban form issue is that it's not full MVA. There are caps, so you don't get the kind of encouragement to sprawl and the kind of discouragement to intensification that you get with full MVA. But I believe that in all probability, if you have capped MVA, a dynamic is set in motion that turns it into full MVA. The pressure will be there every time people open their tax bills; they're going to see these decreases clawed back. Whether it's this government or a later provincial government, the pressure will be there to take those caps off, and it's very hard to stop it from turning into full MVA.

The Chair: Thank you very much for your presentation. I'm afraid we've run out of time.

I would also like to indicate that Mr George Clarke, the commissioner of finance for the city of Toronto who was going to be a witness, was unable to come but has left a brief with the committee. I thank all the city representatives who have come before us.

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LORNA KRAWCHUK

The Chair: We now move on to Ms Lorna Krawchuk. Would you be good enough to come forward, Ms Krawchuk; welcome to the committee.

Ms Lorna Krawchuk: My name is Lorna Krawchuk. I am a councillor for ward 4 in the borough of East York within Metropolitan Toronto. I'm speaking in opposition to market value assessment.

We have been remarkably fortunate within Metropolitan Toronto to have a vibrant inner core. This is thanks to policies that keep a human scale so that small businesses and housing can coexist with major office towers. The economy is not particularly healthy right now—an understatement—and we should be extremely careful in whatever we do that might jeopardize that core. I believe that the implementation of any form of market value assessment undertaken without economic impact studies can be the equivalent of the straw that breaks the camel's back.

My ward covers the former town of Leaside, with a population of 12,000, and an apartment area of the same population called Thorncliffe Park.

Thorncliffe Park is mostly a tenant community. Tenants were promised that if there were decreases in assessment as a result of the reassessment, these would be passed on to them and not kept by the landlord. The mechanics for doing this have not been worked out by the province or Metro. The numbers are so confusing that it will take careful monitoring to ensure that these decreases are passed on. The one thing I can be sure of is that there will be a cost borne by some level of government for passing on these decreases, which means that indirectly either municipal or provincial taxes will go up.

Tenant representatives have known for years that large apartment buildings are treated differently—ie, higher—than single-family dwellings for assessment purposes. Market value assessment has done nothing to solve that inequity and this problem of inequitable taxation still needs to be addressed.

East York has the poorest ratio of industrial-commercial to residential assessment in Metro Toronto. The main industrial area is in Leaside. The borough of East York, recognizing that this industrial area, and a smaller one called the O'Connor industrial area in ward 1, need help,

spent eight months consulting with owners, ratepayers and developers to come up with a strategy to keep current owners in place and provide incentives for new owners to locate here.

The major disincentive to staying or relocating here is the high level of taxation. The imposition of any form of market value assessment, again without economic impact studies, overshadows all the other positive measures we have tried to put in place. The fallout is already beginning. One small business that has been here for over 25 years on the edge of the Leaside industrial area is closing as of January 1. The increase in predicted rent for 1993 was the deciding factor in their decision to leave.

In this current round of discussion about market value assessment, a lot has been said and heard about its impact on business. When residential was discussed, the topic was usually the cliché anomalies in the present assessment system of the Rosedale mansion paying less in taxes than the relatively modest suburban house. What appears to have been forgotten is that no one is arguing that these anomalies shouldn't be corrected, but not by a method that penalizes people living nearer the city core on smaller lots.

For the impact on people living in East York, it is only necessary to look at the comparison figures when 1984 and 1988 assessments are used. With the 1984 figures, the major residential casualty was ward 4. With the 1988 figures, wards 2, 3 and 4 are adversely affected. What changed in these houses over the four years? Nothing, other than they got four years older. But by 1988 these relatively small houses close to the downtown were seen as desirable by potential owners and their selling prices rose.

East York has the largest proportion of seniors living in their homes to a higher age than anywhere else in Canada. A lot of these people are women on fixed pensions. What is to happen to them when the only way they can make the money they will need to stay in their home is by selling it? Are people to be penalized for not choosing to live in a newer, larger house, farther away from public transit?

Also adversely affected by MVA are the small businesses on the few shopping streets we have in the municipality. I know people from all over Metropolitan Toronto who choose to come to shop on Bayview Avenue because of the variety and excellence of the small businesses we have. Shopping on Bayview is like being in a small town. You see everyone in the course of your travels. These businesses will have difficulty in surviving the imposition of MVA. Those who own the buildings will be paying substantially higher taxes. Those who rent will have their rent increased to cover the shortfall.

How can this additional money be raised? A retail pharmacy can't charge more for goods because of location. A women's clothing store can only charge so much before outpricing the market. A hardware, fruit, meat or video store must remain competitive with prices charged elsewhere. The huge increases in assessment appear to be based on the value of the land if sold, not on the value to the community of having the present businesses in place.

The assessment figures that are the backbone of this plan became available in September. As a council, we in East York were given the set of raw figures for our own wards and a table of figures provided by Metro Toronto showing the impact across the borough.

The timing we were given from the outset was that Metro Toronto would be voting on this issue on October 28 so there would be sufficient time for the provincial government to put the necessary legislation in place for implementation with the tax bills in 1993.

As segments of the population became aware of what was happening, changes were made on the fly by councillors and staff of Metropolitan Toronto. This information was not shared with the local municipalities. The plan that was voted on and passed by the Metro council has just this week been provided to local councillors. The public has not had an adequate opportunity to make effective representation to either local councils or Metro council. The Metro solution is one that has as its only saving grace that there is a bit of pain and a bit of gain for everyone.

Most other councils within Metropolitan Toronto took a position on MVA. East York did not. I certainly tried from the outset, when the first figures were made public, to ensure that there would be an opportunity for debate on this issue at our council. The necessary background figures were not made available, so that when there was a meeting with deputants speaking on this issue, the motions passed were that East York council would withhold support of MVA until further information became available and requesting Metro to delay its October 28 vote, which, as you know, did not happen.

A change is necessary in the way assessment is done within Metropolitan Toronto. At the very least, since the Metro government in 1953 thought it prudent to use 1940 numbers, why are the 1988 numbers being used in 1992? Even this interim step of partial market value assessment is harmful. You've been hearing from various groups over the past week giving adverse impacts that had not been previously heard. Obviously, we will all share in paying for increased charges for hydro corridors and railway rights of way.

There is certainly no argument that a change is necessary, but MVA is not the solution. MVA sets up a permanent bureaucracy to be paid for by all of us to reassess every X years. Why can't we set up a system dependent upon lot size or frontage or something that does not change and work out a Metropolitan Toronto solution to this? We all gain, suburban or near-core, from the vibrancy of Toronto's core. We need to recognize this special contribution, not penalize it.

Assessment is done provincially for municipal use. MVA sets up a permanent bureaucracy for continuing reassessment. This means there will be an ongoing cost to all of us for this revenue-neutral system. Another cost of implementation within East York recently has been $150,000 in additional computer equipment and software. We have very small budgets and that hurts us.

For all of these reasons, I hope this committee does not recommend that Bill 94 be passed. In addition, there must be meaningful dialogue, consultation and study done on a more equitable solution to this Metropolitan problem. We all lose if the Metropolitan area decays. I thank you for listening to me this afternoon.

The Chair: Thank you very much. We have time for a question.

Mr Turnbull: Lorna, thank you very much. It may interest you that my wife operates a business inside your constituency, Photo Edge on Bayview Avenue.

The Chair: A little commercial.

Mr Turnbull: A little commercial, yes. Good rates. Excellent quality.

Ms Krawchuk: I'll say hello the next time I'm in there.

Mr Turnbull: I would like to explore two concerns with you. One is the question of tenants. This government was asked to address the historic imbalance between the amount of taxes that tenants in multiple-unit apartment buildings pay and single-family homes pay. Because time is so limited, I'll give you both questions together.

The other question I would ask you is, does it seem fair that small store owners and tenants should be penalized by the inflationary boom of 1988? Their income didn't go up, and those who resisted the temptation to sell—in fact, tenants didn't even have any opportunity to take advantage of the inflationary boom. Does it seem fair to now be basing taxes on the silly prices which bore no relation to the cash flows from the rental buildings or, in fact, the income of the businesses.

Ms Krawchuk: On the issue of the tenants in apartment buildings, in a lot of cases, the value of the building has been reassessed to a lower value, which means that on the surface it looks good for tenants, because somehow something is going to be passed back. But the inequitable system in place before, that has the base rate for a tenant being different than for a person in a single-family house, has not been resolved. So while on the surface this doesn't look like a bad idea if you're a tenant, it really is not a solution, because those apartment buildings could go up in value again and they're back right on the treadmill. They're still sitting there with the inequity.

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The small store owners are definitely in a problem. In a place like Bayview, where most of the buildings are two storeys high, it's a lovely, desirable place if you sell. If you own the property and you sell it and something else goes in there, then this is lovely, but if you're the person who's making a business out of it, a bank certainly can't charge more interest on its money because it happens to be on a street where it has to pay a high rent or its taxes are high. It just doesn't make any sense at all. The only way you make any money is to leave, and then the whole community dissolves.

The Chair: Thank you very much and thank you for coming to the committee this afternoon.

Ms Krawchuk: Thank you very much.

JOHN H. FEELEY

The Chair: I call Mr John Feeley, if he'd be good enough to come forward. Please have a seat. Once you're settled, please go ahead. We'd like some questions at the end, if you'd just keep that in mind.

Mr John H. Feeley: All right. This is my brief, presented to the standing committee on social development.

Ladies and gentlemen, I appear before you today—

The Chair: Mr Feeley, if I might, just for the purposes of Hansard, would you identify yourself at the beginning?

Mr Feeley: I'm a private citizen.

The Chair: I'm sorry; I just meant your full name.

Mr Feeley: Oh, my full name? John H. Feeley. I appear before you today with a very heavy heart. Being born in 1922 and having grown up in the 1920s and 1930s, I have personal experience with the conditions we are going through today. As the third oldest of nine children, I can recall, as if it happened yesterday, the day my father came home and had to tell my mother that he no longer had a job.

Aware of the financial condition of the household, I started a newspaper route at age seven and with the exception of nearly three years in the RCAF, from 1942 to the war's end in 1945, I have been dealing with the public.

When I was retired from the air force in 1945, I went into the insurance business and have been self-employed ever since as a real estate and insurance broker. The asset I started out with was a 1946 Nash automobile, which was my gratuity, worth $1,600. From that day until this, I had to earn as I learned, and over the next 46 years, I have plowed my earnings back into my business.

At 70 years of age, when I should be able to retire, our municipal government is attempting to introduce a diabolical scheme to raise revenue, and is seeking your consent for its untimely action. For you to grant them this consent would be the biggest mistake you could possibly commit.

Forty-eight hours ago, the city of St Catharines received a cultural shock it will take years to get over. If you authorize Metro to proceed with MVA, you will create as much or more damage in Metro than has occurred in St Catharines, only in this case it could be even worse. Why? Because you are destroying the very people who, it is acknowledged, create 80% of employment in this country: small business people who are investing their life savings and working unbelievable hours to protect their investments.

Had you attended the meetings at the Metro centre, you would have seen with your own eyes the anger, disbelief and downright betrayal by the people who were entrusted to run the affairs of our city. What has made our country great up until now is the checks and cross-checks built into our society to protect us from unjust actions of this type. You are the level of government that is the check on the municipalities. If you abdicate your responsibility at this time, history will hold you responsible for the carnage.

Every time Metro considers a large expenditure, it does so by paying 20% to 25% of the total, and then looks to the province and federal government for the balance. I see this MVA proposal as a raid on the federal treasury and a further difficulty in our national government coping with the national deficit. As the federal government's ability to raise revenue is hampered by this kind of municipal gouging of its citizens, so is its ability to provide the province with its share of the federal tax.

The day is long gone when municipal governments can levy realty and business taxes and think the owners of this real estate or business can just pass it through to the consumer. Metro should be forced to bite the bullet and operate within the framework of the system we have operated on in the past.

The mill rates have increased annually for as long as I can remember, and all our taxes have gone up each and every year since the Second World War. If as property and business owners we are levied with the normal mill rate increase and on top of that are saddled with the additional increase caused by the MVA, then this is totally unacceptable and downright destructive.

The fabric of our society is very delicate and cannot cope with this kind of increase at this point in time. Had this manoeuvre been implemented during the high-flying 1980s, it may have been possible to pull it off, but this is definitely the wrong time to do it, especially when even a child knows that conditions in 1992 are not what they were in 1988.

Even if you kill this proposal right now, irreparable psychological harm has been done which will take years to rectify. The loss of jobs in the construction trades, hospitality industry and other businesses too numerous to mention will cause you problems you cannot now imagine. The devil you know is better than the one you don't know. So think very, very seriously before implementing this proposition.

Our existing system has served us for generations and will serve us for generations more if left alone. Make Metro live within its means, as each and every one of us has to do on a personal level. If the budget shortfall was spread evenly throughout every citizen within Metro, then we would not have any objections, but this proposition is levied against a small group of very vulnerable people, and it is totally unjust.

I hope the press is wrong in believing that the government members on this committee have already made up their minds and that this process is just a farce. When I put my life on the line to fight a dictatorial regime in Europe, I never expected that later in my life, in my own country, I would see parliamentarians putting me through a useless charade. Surely all the people who have paraded before you are not complete lunatics. If this is a good proposition, where are the people who support it? There is only a corporal's guard in favour, and even they would not be if they understood all the consequences. Please do us a all a favour and throw this mess on the scrap heap, where it belongs. Yours very truly.

The Chair: Thank you. We have time for one question.

Mr Frankford: You are clear that this is a reassessment plan, that there are winners and losers? Are you aware that there are a significant number of people in the suburbs who will benefit from it and this is not an overall revenue-increasing plan?

Mr Feeley: Yes, I understand that, but if the province had wanted to deal with all the residents of Metro and just work the inequality of residential assessment out among residents, that would be acceptable. But what they have done is tamper with the commercial, which I am particularly involved in.

The inequalities are unbelievable. As a matter of fact, if the assessments in the residential field are as glaring as they are in the commercial field, then that is an absolute reason to throw the whole thing away, because in the commercial field there are inequalities that are so unbelievable a sane person couldn't even believe that they happen.

I happened to speak to the assessor who did my particular property, and he couldn't even give me an answer how he had arrived at my figure. He referred me to his boss in Whitby, whom I spoke to, and he didn't give me an answer either. So they can't even tell you, as the taxpayers, just what technique they used.

Mr Frankford: I thought I heard you say that the existing system has served us well, and I sort of don't think that has been the impression we've got listening here.

Mr Feeley: From what I can gather, certainly in the commercial field, and it probably applies in the residential field as well, if a house has been built in recent years, whether they adjust the figure backwards to meet the figure that was used on the older properties—from what I can see, that is what they must have done, because there's no way you can build a building in the 1990s, and build it with the cost that it costs you to build it, and have an economic building when you're finished, whether it be residential or commercial.

The Chair: Thank you very much, Mr Feeley, for coming before the committee. We appreciate it.

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CLIVE RAYMAN

The Chair: Are there any representatives from the Corso Italia Business Improvement Area here? If not, I call Mr Clive Rayman. If you would come forward, Mr Rayman.

Mr Clive Rayman: Good afternoon, everybody.Clive Rayman. I live in Toronto, St Clair and Spadina Road.

I've listened to several people and I agree with Mr Feeley. I've heard how unfair it is to the suburbs and that they pay more taxes. Well, I came here in 1966, lived in Toronto, Lonsdale Road. My parents still live there. They're having to pay more taxes. Their neighbours are having to pay more taxes. The core of the city, those people who've been here for a long time, expanded from that to the suburbs, which are the newcomers to the country, immigrants. We've all paid our dues. I'm an immigrant, I've paid my dues. Let the newcomers also pay their dues and stop taking it out on the people who've lived here for years, who, like Mr Feeley, have gone out and fought for this country, and stop just letting them take it away from the core of the city.

You destroy the core of the city. It's like an animal. It's got a heart. That sickness spreads. It will spread to the suburbs, the businesses that you forced into bankruptcy. Those businessmen will go to the suburbs, and I hope if that happens, the businessmen in the suburbs are put out of business, the same way that the business people, the small businessmen in this city, in downtown Toronto, will suffer.

If the politicians don't see that, God help this country. That's all I've really got to say.

The Chair: Thank you very much for coming here and expressing your thoughts to us today.

J. WALLACE BEATON

The Chair: Is Mr George Booth here? If not, could I call Mr J.W. Beaton. If you'd be good enough to come forward, the clerk is distributing your brief. Welcome to the committee.

Mr J. Wallace Beaton: Thank you very much, Mr Chairman, members of this committee. First of all, I'd like to say that I don't live in Metropolitan Toronto and I don't have an interest in any property in Metropolitan Toronto. I am not here on behalf of anybody and I have no clients in Toronto whose interests I am representing or looking after. I have had clients in Toronto from time to time, but I think I have a reputation for massive neutrality and I work very hard to preserve it.

I'm a multidisciplined professional and I do a variety of things that I won't take your time with, but my curriculum vitae is in the second-last page of the brief, and I also have appeared on public issues from time to time before where I feel I might be of some help in the public interest or for the public good.

I've had 26 working years in the assessment field, along with a lot of related fields: real estate, real estate valuation, business and securities valuation, arbitration. Like Mr Feeley, I put my life on the line in the Second World War, but nobody had occasion to take me up on it. I was in the air force, where I was a pilot.

The reason I am appearing is that I wish to make my expertise available to you to whatever extent it may be of some assistance and, really, because I was, I think, the principal voice at the time we had total reassessment in what's now York region. My article in the Globe, which I must say I've included in the brief as an appendix, saved everybody an enormous amount of time and trouble because it told everybody what had happened to them and how.

One of your members, Mr Chairman, has said, with great respect, sir, that there are winners and losers in reassessment. I don't think that is quite so. I think that you have two kinds of people: people who break even and people who win. The people whose assessments have not changed relative to everybody else's have broken even. The people whose assessments are increased have been winners for years, but they're not going to be winners any longer; they're going to break even from now on. The people whose assessments have been reduced have been losers for years but their losing streak is ending.

I used to tell the municipal clerks when we had reassessment in York county, "You should put a banner above the doors of the municipal offices saying 'Welcome, Winners'" because everybody who comes in on this one is a winner; not as much of a winner as they used to be in many cases, but everybody is, because properly administered assessment, reassessment, is a break-even deal. That's the purpose of my brief: proper administration.

I've called the brief The Riddle of Assessment Equity. I must say I didn't have the name of your committee in mind when I cribbed Stephen Leacock's title The Unsolved Riddle of Social Justice, but that is the counterpoint to my observations, the famous book by Leacock. Some of us studied it pretty intensely in our scholarly days.

I'm not going to read the brief, as it's much too long, but I would like to refer you to the overview on page 1. Perhaps I could go over this with you briefly and then invite any questions. I'm hopeful that there are a lot of things that will aid you and aid everybody in Metropolitan Toronto.

First of all, I have to say that we all forget sometimes that the purpose of municipal assessment is to provide a basis for the cost of sharing municipal services which is feasible but also fair and equitable. Now, what I've said at the beginning of the brief is that the current market value reassessment debate boils down to four questions: What is fair? What is wise? What is practical? Where there are conflicts, how can they be resolved? This, then, is the thrust of my submissions to you today.

The definition of "market value" set out in the Assessment Act does not achieve this purpose. It is a "highest and best use" definition, it sets aside the wisdom of the courts and it creates many unnecessary inequities. It's not a bad definition; it just isn't quite on target. When market value definitions came up under the old law, which was basically a construction cost assessment law, the Supreme Court of Canada said market value is a fair basis for owners to verify, to test the fairness of their equities, but market value in the current use, and that became the law of Canada when the Supreme Court said in "the current use."

Now then, the definition with the lawyers—and I'm knowledgeable of the law but I'm not learned of the law. When you go to the definition of market value, this is not a definition that was written for the Assessment Act. This is a definition that was lifted lock, stock and barrel from the Expropriations Act, and it's the expropriations definition. If you've got a house that is worth more as an apartment site or as a conversion to a commercial building and your property is expropriated, you get its value for the highest and best of those three uses.

The definition of market value carries the implication of highest and best use. I've discussed this in 10 or 12 paragraphs in the brief, Mr Chairman, but highest and best use creates a lot of problems in the assessment field. The Supreme Court of Canada swept them away, but they came back by accident when the new law was written. It's a good law, it's a good act, but it does need a little bit of fine-tuning, and that is the most important thing I can say to you today. Take the law, apply it, but confine it to market value in the current use of the property. I can't urge you on this too strongly, and all the reasons are set out here.

1430

It does go a step further. There is another problem area that sits adjoining that one, and that is properties that are in a state of hiatus or transition but are not in use. The question is, should they be assessed at their highest and best use? In York county reassessment these were the farms, and of course we have special clauses in the act to say that a farm will be assessed at its market value in farm use. But the same principle applies with redevelopment property in

the city of Toronto. If you don't do that, if you start assessing redevelopment value, you have a special problem, because you're no longer serving the purpose of municipal assessment, which is to provide a sharing for the cost of municipal services. You are in effect getting something more.

In some cases, and I'm sure people have been speaking to you about them, it can border on the confiscatory. We really don't need confiscation as part of our system. If taxes are excessive, they are confiscatory. It won't last very long. All property in transition gets developed and gets reassessed at a new actual use, and the system works well that way. But to interpose a highest-and-best-use tax on transitional land is damaging to the good order of the assessment system and of the economy and of society. I say it should be market value in the current use or, for transitional property, in the last previous use. That's my second point, the last previous use, and this is set out in paragraph 27, the small amendment to the act that I would urge you to consider.

While ratepayers have the right to test the equity of their assessment, it is no easy matter for them to exercise this right, and you've had echoes of this from other speakers here in this room, I know. "How do I appeal my assessment? The assessors know it all and I don't get enough information from them." This is the eternal cry. The owners are obliged to define their own sales, because market value means sales comparison, and to work out the best way of relating these data to the assessment levels prevailing.

There's a discussion of this. It goes under the general thrust of assessment to sale price percentages, the ASP percentage factors. There is reluctance on the part of assessors to tell people too much, because they have a duty to defend the roll and they have the problem of appearing in court or before the boards on behalf of the assessment department every time an assessment is appealed. The person who has to give you the information is the person you go against when you appeal.

We have new devices to get information. The freedom of information act applies, but it doesn't work as well as you think it's going to, because the assessors then say, "We haven't done the ASP percentages this year and we didn't do them last year. In fact, we've abolished ASP percentages," at least officially. All the ASP percentages can be calculated, but you can't get them out even with the freedom of information act, because it's my business to try, and I know the condition that exists in the assessment offices in many parts of Ontario.

So what we need to do, particularly at this point, with reassessment and everybody getting new assessments they don't understand, and what I urge you to consider is to make it easier for ratepayers to get information from the assessment board. This is a vital element in this process which you're dealing with at present. It's very simple. To correct this problem—and not next year or the year after; really starting with the 1992 assessment roll for next year's taxes—owners should be given access to the sales data and sale price factors or percentages for similar property in their vicinity as a matter of right.

That is the next thing which will make the system work well. While I've said to you that everybody wins, they don't if those assessments haven't been well done, so we need to refine the system and that is the way to do it. It isn't difficult. Those sales data can be put in the hands of the local assessment clerks, the municipal offices. They can be picked up by anybody who needs them. The ASPs can be put there. These data are all compiled everywhere. It is no difficult job to organize it so that the public can lay their hands on it. I urge this on you very strongly.

The third question is the base year for assessment, 1988. I've done studies in Toronto regularly—I have clients—but I have not done studies on commercial property in the city of Toronto in the last five years, so I don't have any fingertip information on the anomalies that appear to exist. But my feeling is that the 1988 year has created some of these problems with the commercial assessments, because this was a peak year in the cycle, and commerce rides the peaks, it really does. I suspect that if we substituted 1990 as the base year, those problems would be mitigated—not all solved, but mitigated.

In any event, four years is too great a hiatus and it's unnecessary. In York region it was a two-year hiatus. We had reassessment in 1969 for taxation in 1970; the base year is 1967, just two years back. And they didn't have all the high-speed electronic data techniques as well refined 23 years ago as there are today, so it should not be a difficult matter to use 1990 as a base year, or maybe even 1991. Without being able to talk to the inside of the electronic data system in Toronto, I think there are some ideas there that should be helpful to you.

Those are my three main points. In addition to that, I have several things about the conflicts of interest that are created; I've made several observations about that. If you're going to phase in the system for those whose assessments have been greatly changed, I think you should consider the phase-in period as being one real estate economic cycle. When the economy is overheated, that's five years, and when it's not, it runs up to eight or nine years, so eight or nine years is probably the logical phase-in period. I give you that idea, for what it's worth, as well.

I'd be delighted to answer questions. I've done some studies in Toronto. If you're interested in the techniques of ASP percentage and its application, I can assist you, but those are my points. Thank you very much for your time.

The Chair: Thank you. We have time for just a question, I believe from Ms Poole. We very much appreciate the larger brief you've brought in, and also to have somebody who is in a sense from beyond the area most directly affected to come in and take the time to do this.

Ms Poole: Mr Beaton, thank you very much for your presentation today. You've certainly given us a lot of food for thought. While we can probably not agree on the premise that market value is a good system, there are certainly a number of points you've made that I totally agree with. One is that if you are going to be on a market value system, instead of using highest and best use as your benchmark, you should be using current use or real use. That was a very valuable suggestion.

However, one statement in the second-last paragraph of your overview said, "Similar changes between owners in Toronto and the suburban cities were also inevitable, as central city people have come to enjoy comparatively greater benefits of economic location and culture." In fact, we have had many discussions to the contrary, actually by people who were from the suburbs, who made comments about how people from the suburbs come in and enjoy Toronto culture.

We also had a number of presentations that highlighted the fact that if you have a store in Toronto and you have a store in Scarborough, you cannot sell more of your goods in the Toronto store just because you are in Toronto; you can't charge a larger price because your business is located in Toronto. In fact, one business person yesterday, who has a store in both the city of Toronto and in Scarborough, said that her taxes for a similar-sized property in Toronto are much higher currently than they are in Scarborough, that it is much more expensive for her to carry on business in the city of Toronto. I believe she made the exact opposite point you've stated here today, so I just wondered if you had any comment.

1440

Mr Beaton: There are three points that come to mind. The first one, by the way, is that I am not that strong an advocate for market value assessment, but what is good about it is that everybody understands it and everybody can function with appeals under it. Nobody can appeal actual value assessments, because working their way through building cost manuals is entirely a technical function for specialists; that is the only thing that tilts the scales for market value.

Building cost assessment is extremely fair. Riddled through my brief you'll find this term "ad valorem," which I'm sure you haven't heard. It's the American term for building cost. Ad valorem is what all assessors are called in the United States; they are called ad valorem appraisers. I have many friends and colleagues in the States in that category, and my brief is written so that they can read it too, which is why I have "ad valorem" in there. The ad valorem does work in the United States and it has worked here, but it's like any system: You have to stay on top of it. You have to keep it fine-tuned. You have to—I don't want to say work overtime on it, because that's perhaps not a popular term in the public service, but nevertheless good things require good care and attention.

On the relative merits with commercial property, assessment is only one of many factors that affect commercial decisions, commercial operations. I have said at the end of my brief, page 11, "In a world of cause and effect, fair and equitable assessment can only be an effect." The assessment does not affect the economy or run the economy, if everything is fair. Unfair assessment creates distortions, like properties that haven't been assessed with sufficient competence.

But it's a minor point. The commercial decision—whether you're going to open the store or close the store or move the store—is taken on a lot of other factors. Sure, while every change in your costs, every change in your overhead, is a real thing in business, it is not the thing that controls it, although the point can be made and people have their examples. But they should perhaps be also looking behind their examples. They should perhaps be verifying how fair their assessments are in the city and in the suburbs in relation to other similar property in those vicinities.

Ms Poole: One last comment: I think you, in your last line, very correctly identified the problem. It is whether the assessments are fair. That's the rub. We get back to the beginning of the discussion, whether this particular system is the best way to do it. By the way, have you taken a look at the unit assessment proposal by the city of Toronto and the city of North York that was developed several years ago?

Mr Beaton: I've read all the studies, but I must say I haven't got them at the front of my mind today. I have gone through them all, yes, and I have a file of notes on them.

Ms Poole: If you read them within the next short while, if you did have any comment on the viability of that proposal for assessment purposes, it would be very helpful—not to ask you to do anything extensive, just a brief comment.

Mr Beaton: To me, it sounded pretty close to the old actual value system, which is based on unit costs of construction. It is one variation of the ad valorem approach. There's nothing wrong with it, but you've got to have an awful lot of faith in the assessors, because you cannot see into the structure of the work they're doing. You really have to take it on faith.

Mr Turnbull: But surely you can test the unit assessment yourself, because it's based just on measurements.

Mr Beaton: You can check it out, yes, but most people won't or don't, and they're a little intimidated by it. Sure they can, but they don't all have the mental thrust or self-confidence to do that. That problem is out there.

The Chair: Mr Beaton, I want to thank you very much again for coming before the committee and for providing us with your brief. We'll look into that and, I think, a number of comments you've made that have been made previously.

Mr Beaton: Thank you, Mr Chairman. It's been a pleasure being with you today.

MANDY COLE

The Chair: I would like to call Ms Cole and, following Ms Cole, Mr Booth. Welcome to the committee, Ms Cole. Please have a seat. When you're ready, please go ahead. You have 10 minutes, and if you'd like to leave any time for questions at the end, please do so.

Ms Mandy Cole: Thank you. Good afternoon, ladies and gentlemen. I'm here as a private citizen. I live in the city of Toronto and have done so for 24 years. I've lived there as a tenant, as a landlord and now as a home owner in a single-family dwelling.

I live in the Annex, which is a very diverse area. It's not uniform ethnically, it's not uniform economically. We are full of tenants, home owners, people who've been there

for 50 years, people who've been there for six months, university students.

I will have a substantial increase in my taxes, subject of course to the cap, under the current proposal, but that's not really why I'm here. I'm here because it would have a very negative impact on the neighbourhood. It wouldn't mean that I would have to sell my house. It would mean a bit of belt tightening, but I can survive.

But I spend a lot of time in my neighbourhood. I've lived there for a long time. I walk down to Bloor Street. I shop in the area. Local shopkeepers live in the area. I know the devastation it's going to do the local businesses. Also, there are certainly quite a few non-profit organizations in the area, Pollution Probe being a case in point. Again, if the cap weren't there, their taxes would put them out of business.

That's why I'm here, because I feel very strongly that Toronto currently is a livable city. I think it will become much less livable when the impact of moving towards full market value assessment is implemented. I recognize that the caps will cushion the blow. It will certainly put some businesses out of business, but it will cushion the blow. However, I don't see that it's a rationale to move to a system that's inherently flawed, just because there has been some tinkering with it to make it a bit more palatable.

This is supposedly going to be more equitable. I don't think it's necessarily going to do that. Market value doesn't have any relationship to ability to pay if there's no relationship to the size of the property or to the cost of providing services. I live in a house that's on a 25-foot lot. The taxes on my house currently are approximately the same as those of a coworker of mine who has a house in North York. Market value will make a substantial difference. His house is on a 75-foot lot. The cost of collecting garbage, as the cost of all municipal services, is higher for his house. Currently, we pay about the same taxes. I don't see where there will be equity when my taxes go up and his don't, and he doesn't see that either.

The assessments themselves seem to be heavily flawed. My house is assessed at $75,000 more than the house next door. They are the same age, both three storeys, both brick. They're not two peas in a pod, but they're essentially very similar houses. I don't really see why mine is assessed at $75,000 more than his, particularly considering that in 1988 my house was a dump. It was a rooming house. It's not a dump any more, but it's not exactly a palace. Their house has been well maintained because they've lived there for 20 years.

The house on the other side of me is virtually a clone of my house. It has three flats in it, and its assessment is quite a bit higher, so that certainly isn't going to help tenants. It's not going to help small landlords to have an increased assessment just because it's flats instead of single-family.

There are numerous example through the Annex, and I'm sure throughout all of Metro, of problems with the assessments themselves. I'm sure this will give rise to innumerable appeals. I certainly will be there appealing my assessment for the reasons I've cited. This is going to cost us all a lot of money.

1450

Student housing is going to be adversely affected. The University of Toronto is the biggest university and one of the best universities in Canada. As you know, with budget restraints, the help for students and funding to the universities is inadequate at best. Students are going to have that much more difficulty if they can't afford to live in Toronto.

In addition, the lack of having a cap on the utility rights of way and the railways is going to cause hardship far beyond the barriers of Toronto. I'm sure everybody's aware that hydro rates are going up and up and up. There are various municipalities in Ontario that have proposals to build their own electrical generating facilities because they can produce hydro so much less expensively than Ontario Hydro. The last thing Ontario Hydro needs is a $60-million, $100-million, whatever the number is, increase in its costs.

I work in a small health care facility in North York. I'm going to draw an analogy here. Workers' compensation is assessed on payroll, and the amount of assessment you pay for workers' compensation for your employees is based on the rate group you're put in. The Workers' Compensation Board for some years has been working towards getting a fairer system of assessments. They're going to have many more groups so that you can be placed in a group that more accurately reflects the nature of your operations and the risk of injury to your workers. These are going to result in huge increases for some employers and huge decreases for other employers, but it clearly is a much fairer system, which I may say is not so clear about market value assessment in Metro Toronto.

As an employer, we were going to see a very substantial decrease, and because we are provincially funded, we are in a time of strong fiscal restraint. We were very much looking forward to having the riskiness of our business, which is very low risk, reflected in a reduction of our WCB rates by more than 50%.

The good news for some employers is that the WCB has put a cap on that, 3%, period. So instead of having our WCB assessment go down by at least a half we're having it go down by 3%. That's because the WCB recognizes that in these recessionary times it would cause incredible hardship on the businesses that would have to fund the shortfall by paying reflective assessments.

If obviously a fairer system isn't going to be implemented because of economic hardship, I find it hard to see how a not obviously fair system of market value assessment is going to be implemented with caps of substantially more than 3%.

In closing, I would just like to say that as somebody who loves the city of Toronto and Metro Toronto, I don't see that it's an advantage to anybody to have the downtown core hurt so seriously by this proposed change in taxes. Even the people who live in the suburbs who may receive a decrease in their taxes presumably get some benefit from living in the suburb of a city that is thought to be one of the nicest cities to live in in North America.

I had a visitor from Europe recently who had been in Washington and Detroit on business and said that Europeans cannot understand how the Americans allowed their

cities to die the way they have. Let's try and not inflict a blow like this on our own cities.

The Chair: Thank you very much. We have time for one question.

Mr Turnbull: Ms Cole, thank you very much. You correctly point to the danger to our city, which was very well encapsulated in the presentation this morning by the Toronto Society of Architects. If I could just sort of give you a sense of these hearings as I see them, so many people have come forward and said this is the wrong tax. The government has seen fit to staff the committee with exclusively suburban people who are getting reductions. Understandably, they are fighting for their constituents.

But by the same token there is overwhelming evidence that this is a very badly conceived plan. We know the Fair Tax Commission is going to report next week and yet we're hurrying through with this legislation. I wouldn't be at all surprised if this legislation is actually passed by the time the Fair Tax Commission report comes out.

You point correctly to the fact that the Workers' Compensation Board has concern about the impact of changes, even though they have decided there's something wrong with the system and they're going to phase it in. The problem the opposition parties are having at the moment is that the government seems determined to say: "Oh, this is strictly the responsibility of Metro. We have to give them this legislation." Yet it has been very well demonstrated by the overwhelming number of the presentations that this will have a very disruptive effect on Metro and in fact on the whole province because such things as hydro rates will be spread right across the province.

I guess my question to you—because when you sit through these hearings the same things tend to come up. Can you say something to the minister and to the members of the government which would persuade them to take another look at this plan and take some responsibility for it, because indeed it affects all of the people of the province?

Ms Cole: Thank you for the question. I appeared before the management committee of Metro council. My time to speak came at 5 in the morning. By that point I had sat through nine hours of presentations. I paid much more attention than the councillors who were there. I was appalled by the fact that they weren't listening. They were occasionally snickering behind their hands. I mean, they were behaving in the way the citizenship judges who were turfed out were behaving. They seemed to be ridiculing the people who spoke before them. So forgive me if I'm a bit cynical about thinking that anything can be said to change the minds of people who made up their minds before they came.

I'm here hoping there are some open minds. I'm here because I felt I owed it to myself and to the city I love to stand up and be counted. I'm hoping that somebody's paying attention. For every one of me who's taking the time to come down here and speak, you realize that there are hundreds of people who either don't have the time or don't think they can do anything about it. There are lots of us out there. There are also lots of people who live in the suburbs and who realize that it's more than just seeing a few hundred dollars or a $1,000 off their taxes. This affects all of us. Please take another look. Find a better way.

The Chair: Thank you very much for coming this afternoon and making your presentation.

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GEORGE BOOTH

The Chair: I call Mr George Booth.

Mr George Booth: Mr Beer, greetings. Nice to see you. Thank you for this opportunity. Before I start, I would like to say that I got a call at quarter to 5 last night to appear here with 30 copies of my presentation—impossible. I phoned on Tuesday to get on the list; if I had known, you'd have 30 copies of the presentation, so bear with me.

The Chair: I apologize.

Mr Booth: I could go back and do them when I have a secretary available, Mr Beer. I will be somewhat discombobulated, but I will try and articulate as best I can for you.

I own two pieces of property in downtown Toronto. The location is 12 Mercer Street, which is a four-storey building was built in the 1880s, and immediately adjacent is 18 Mercer Street, which is a parking lot. Mercer Street is a one-way street, one block long, that starts at the front door of the new Metro city hall on John Street and runs to Peter Street, halfway between King and Wellington, just north of the Dome. This property has been in our family business since 1915, so I know the area quite well. We've been there a long time; we are not land speculators.

To give you some idea of what has happened to this piece of property, our taxes as of this year are $17,229. Under the proposed tax scheme, the two pieces of property will increase to $93,435. Let's not talk about the caps or so on. It's the perception and the thrust that these people are trying to do. The value of the property in 1988 was roughly, according to the assessors—and I must admit that the assessor who did the assessment was a community college student working part-time in the summer. The only person she talked to was the receptionist of one of my tenants on the second floor, who is now gone. All she asked was: "How long have you been here and how long will you be remaining here?" Those are the only questions this person asked, part of the assessment process that came up with the figures these large escalations were based on; a community college student who, in my estimation, did not do a thorough evaluation and did not talk to the land owner and made no attempt to talk to the land owner.

What does this mean, even at a 10% cap on our property? There are other inequities that are coming up in this situation. In trying to rent this old building, the first question of the few people we get to go through the building is not "What's the rent?" but "What's the tax increase going to be because of MVA?" It used to be, "What is the gross rent? What's the number all in? Is it $17, is it $12?" No, their first question, their first concern is, "Where is MVA going to hit us?" ie, the business tax and in the TMI in your gross rent. Interesting. The second most important question is, "Can you open the windows so we can have fresh air?" so you can understand where their priorities are coming from.

The taxes this year we pay on the parking lot are $2,049. They are going to go to $39,766. I'm lucky if I can get 10 cars in the parking lot at any given time for rent from tenants. That's about $10,000. If you think this is inequitable, it certainly is. There is no way we can survive, and I speak for my neighbours who are restaurants, small businesses—well, there are only one or two small businesses left. The others just can't cope, and they'd gone even before this hit.

Five days ago, we got some paper from the city of Toronto, along with some paper from the regional assessor, that our taxes next year were going to be $4,688. There was a small amount in there for business tax and so on, but my understanding of the cap on $2,049 would be 10% on the parking lot, yet the increase on top of the $2,049 is $1,759. You phone the city of Toronto, they say, "Phone the assessment office." You phone the assessment office, the government of Ontario, and the assessment office said, "Well, if you don't like it, appeal." That's fine: two, three years to appeal. Meanwhile, I still have to keep paying the taxes, which I can ill afford to pay because I don't have the income to pay for the taxes, let alone break even.

This is happening up and down the street. The taxes of the parking lot to the east of my building, right in front of Metro Hall, which is some 2,500 feet larger than mine, are a third less, for some reason. It's a vacant lot. I don't understand it, can't figure it out. I know Ed Mirvish has three or four different pieces of property at the end of Mercer Street bounded by Peter and on King. He has four different rates per square foot for assessed taxes. It doesn't make sense. They're all in open areas, they're all adjoining, there's no separation, nothing.

The assessment process is incredibly flawed. As to the values they have on our property as of 1988, none of my neighbours who sold in that year got even close to the square foot prices for raw foot land; didn't even come close. Across the street, where an industrial commercial zoning for the new Metro Hall is, they got astronomical figures 200 feet away. Gut feeling: The assessors did a blanket coverage: "Two hundred feet away, well, it should be this." Wrong. We can't build a 26-storey building on our property, if we had the money. We can only build an 11-storey building. Big bucks difference, big bucks, when it comes to land assembly.

So the process back at the government of Ontario I think is basically flawed. I was very interested to hear the lady here before me. I went to all those meetings; I sat there till 5 o'clock in the morning. I cannot believe the arrogance of Alan Tonks and a number of members of Metro council. She was dead right on. Those people just didn't give a damn about those little people who can't speak English: They're Chinese, they're Portuguese, they're Italian. They're in serious trouble. They're in extremely serious trouble, and I'm no different. If this continues, I will board the building up and walk away. I don't know where the city of Toronto is going to get the taxes, because we can't afford to pay them because we cannot get the tenants. Happiness is cash flow, without question.

To try to find out information from the city of Toronto or the assessment office and get the arrogance we have all gotten in the Mercer-John area is just despicable. We pay the bills and we're not getting the answers. We're not getting fair hearings. To get called at quarter to 5 to say you're on here is terrific, but not to have a concrete, written proposal to leave with you fine people is not fair to the rest of us in the area or to ourselves.

It's just appalling, and I'm afraid that the backlash is going to be so expensive. Toronto's $269 million in debt because of back taxes, because we people can't pay them any more. We're not getting any more services. God forbid. In my parking lot I can look out the window two or three times a week and see a drug deal going down in my parking lot. We need more services to stop that sort of thing, but we're not getting them. I can't quantify what's been improved. We had a 15% hike last year from Metro Toronto, which was just ridiculous in these recessionary time.

So ladies and gentlemen, here we have increased taxes, no explanation, no recourse to a very quick appeal process. We're hung out to dry, and a lot of people in our area besides myself are going to go out of business. I can't get tenants. I had tenants in my building until the end of November; there were roughly 45 people in that building. They're gone. They'll never be back. They supported the core area of Toronto. They went to the restaurants, they went to Coles bookstore, they went here, there and everywhere; they used the services in the core area. Those 45 people are gone and they'll never be back, because they can't afford to pay the rents.

Is that what we want in this province, in this fine city? I don't think so. Somebody's referred to it as the hole in the doughnut. I think it's just the tip of the iceberg. It's going to be a mess, and you can see it now. Thank you.

1510

The Chair: Thank you very much. We have time for a couple of questions.

Ms Poole: Mr Booth, thank you very much for your presentation. I can tell you that your lack of a written presentation certainly did not flaw your presentation at all. It was extremely articulate.

And we apologize for the late notice, but we are trying, as you can see, by sitting Saturday and Sunday, to get as many people heard from as possible.

It's seems to me that two things stand out from your presentation. The first is that the process itself is deeply flawed, and the second is the volatility of the market that makes market value an inappropriate scheme for a volatile market such as Metro. You mention that you have two lots; one is a building and one is a parking lot. The building is assessed at commercial rates?

Mr Booth: I can't get an answer on that. That's a good question. I can't get a definition whether it's assessed on industrial rates, which it should be with the I2D7 coverage for that area. But when you phone and ask or want to go up and see them, they won't see you. We don't know whether it's commercial or industrial. We can't get a definitive number. Industrial by design, and Mr Sewell and his gang way back when, when they wanted to keep the blue-collar workers in downtown Toronto, depressed the

prices but put in the industrial component, the threadneedle industry and so on.

We have a feeling that all of a sudden, somewhere, somebody up here has said: "Ah, a 26-storey building is right next door. It's commercial." But we can't load our buildings with commercial tenants. We're not allowed. We've got to have industry in there, so it's completely different basis points of assessment, in my estimation, but we can't get answers.

Ms Poole: If you are assessed as a commercial property, then the increase you talk about—the 10% cap for the first year, 10% second year, and third year would be 5%—that actually translates into a fairly substantial tax increase within the first 14 months. We've been told by experts from the city of Toronto that the first tax increases that will be felt due to the reassessment will be in June, in the second part of the billing system. That'll be the first 10%. January of the next year will be an additional 10% due to the cap, and in addition to that there will be increases due to the normal mill rate increases that Metro and the school boards and the city experience. So it is estimated that it will be a minimum of a 30% increase in that span of time. Can you survive?

Mr Booth: No, we can't.

Ms Poole: What will you do?

Mr Booth: I'll just walk away from it.

Ms Poole: I suspect you can't sell.

Mr Booth: We can't.

Ms Poole: So you just can't pay your taxes or you won't be able to pay your taxes.

Mr Booth: We'll just walk away, all of us. It'll look like downtown Detroit. I'm not using fearmongering or tactics. There's no way we can survive. You can go to Mississauga and rent for a quarter of what you can rent in our building, and people are willing to drive to come into Toronto. To service the core area, which would be an ideal situation for my building, some service type of organization, well, with the vacancy rates in the core areas, their customers are out in the east end or the west end.

Mr Turnbull: Thank you very much. Mr Booth, I know your street very well and, as you correctly say, it's I2D7 zoning. The fact is that most of the buildings on that street were built as small residences, and the assessment department claims that the assessment was not based on highest and best use. I would submit to you for your comment that it is absolutely based on highest and best use, because all the transactions that occurred in the 1988 boom were not based on the cash flow of the building. They were based on a development buildup potential; in other words, were I2D7, that you'd have seven times coverage. The only way you could have seven times coverage in the case of your building would be to knock it down and have an assembly. The massing of I2D7 dictates that you have a large floor base. Perhaps you could comment on that.

Mr Booth: You're absolutely right. My building is so far from being a residence it's a joke. It's a big, industrial building, basically. It's 45 feet wide by 80 feet deep and four storeys and a full basement. It is not a converted house, such as the property is next to my parking lot. The houses in the area that are on Mercer Street are all gone. They've all been torn down.

Mr Turnbull: There was an old Chinese gentleman who lived with his wife, who had cancer, for many years on the street and real estate agents always wanted to get the house listed and he said, "No, I want my wife to die in our home that we've had for many years," yet there were all of the development pressures on this and he wasn't taking advantage of those values.

The Chair: Mr Booth, I want to thank you for coming before the committee, particularly for giving such a specific example of the sort of problem you see. I think I could add that if there was anything else that you wanted to present to the committee in writing, if you could do that with the clerk, we would be happy to receive anything that you might have.

Mr Booth: Mr Chair, when is the deadline of going to the Legislature on this?

The Chair: That has not as yet been determined. There has been discussion in the newspapers about different possibilities. The House is supposed to rise on the 10th.

Mr Turnbull: Mr Chair, could I just pose that as a question to the Minister of Municipal Affairs, who is also the government House leader?

Hon Mr Cooke: If I had an answer for you, I'd be glad to give it. It's not all in our hands, as you know.

The Chair: All I can say is that the House is scheduled to rise on December 10.

Mr Booth: Hindsight is 20-20, Mr Chairman, but if I'd known on Tuesday, I would have had a document. I'm still busy trying to run the CIS, which has its hands full, as you know. It's going to be very, very difficult to do that.

The Chair: That's quite all right.

Mr Booth: The other underlying problem with all of us in the area, which is really a big concern, is this has taken so much time in the last five weeks, we've got to make a living in order to stay alive, even if we have to walk away from our properties. One gentleman behind us has had a heart attack over this. It's causing health problems and employee morale problems. It's mind-boggling in our own little community of restaurants and buildings and so on.

The Chair: Certainly everything that we've been discussing this afternoon is in Hansard, so we have all of that information.

Mr Booth: Thank you very much, Mr Chairman, ladies and gentlemen. I appreciate your time.

SUMMERHILL RESIDENTS' ASSOCIATION

The Chair: I now call the representative from the Summerhill Residents' Association. Welcome. I know we've had some scheduling problems, but we're glad that we could get you in today.

Mr Barry de Zwaan: I'm grateful for the accommodation; thank you.

The Chair: If you would be good enough just to identify yourself for Hansard.

Mr de Zwaan: Yes, I'm Barry de Zwaan, president of the Summerhill Residents' Association, and I represent them here this afternoon.

We are pleased to be able to present to the standing committee our views on Metro's proposals to base property tax on the assessed—and Mr Chairman, every time I say "assessed" I do this, because it's an automatic reaction—market value of the property.

Just before I start on my presentation, I'd just like to endorse what the two previous speakers said about the experience at Metro Hall. I've never come across such behaviour from public servants and people who are supposed to be leaders of the community. People were shut up by being told, "Your time is up." Mr Tonks tried that with me and I said, "I've had two minutes and 20 seconds and I thought everybody had five minutes," and his response was, "Your time is up," and that's all I ever got from him. I managed to finish, however. It was a really bad experience.

As far as the Summerhill Residents' Association is concerned, it is overwhelmingly and quite fiercely opposed to using the so-called market value as the basis for levying property taxes. I want to emphasize right up front that we are not opposed to property tax reform per se. We recognize that the present system is outdated, something should have been done a long time ago and that there are inequities, but we believe that MVA as a cure would be worse than the disease.

1520

Our opposition to MVA is firstly a practical one, based on our observation of what can only be called an unholy mess that has resulted from Metro's 1988 assessment, on which, in all seriousness, I understand, they are actually proposing to base property taxes, or were actually proposing to base their taxes for the foreseeable future. It's almost unbelievable.

Secondly, and just as importantly, we're concerned—rather more importantly, actually—for the social consequences we see as inevitably stemming from Metro's MVA proposal. I'd like, if I may, to deal with each of these separately.

First of all, the practical issues. I'm sure, Mr Chairman, that you've already heard—and I know because I was in the Legislative building yesterday and I've heard already—of some of the mystifying and absolutely mindboggling anomalies resulting from the Metro reassessment. I make no apologies, sir, for citing a few more.

Here's one. There are two houses in my neighbourhood. They're semi-detached houses that have the same floor area, the same lot size, they're currently assessed the same and are paying exactly the same property taxes.

The proposed tax increase for one of these houses is 50% more than the increase of the other. They're both substantial, but this one is 50% more. There is one difference between the two houses: One has a finished basement and the other does not. The house with the unfinished basement is the one with the higher tax assessment.

Who did these assessments? What qualifications did they have? The speaker before me has the advantage of us; he actually saw somebody doing an assessment of his building. There are half the people on our street who've never had anybody, and I never had anybody, come to the house at all to do the assessment. We waited for them to come; they didn't come. We didn't actually call and say, "Please come and assess our house," I have to confess, but they never came; nobody came at all.

What qualifications do they have? What were the guidelines? You will, I'm sure, have heard of the house on Madison Avenue—the speaker before last referred to it—which was assessed in 1988 by a qualified assessor at $650,000. It was actually sold for that amount, $650,000, in 1988. I would have thought, and so would anyone I've talked to, that that was the clearest indication of the 1988 value of that property: $650,000. It has been assessed for MVA at a 1988 market value of $2.1 million. How can anyone have any faith in the fairness of a system which comes up with results like these?

Commercial concerns are faring even worse, as I'm sure you've heard. There's a small family car repair business in our neighbourhood which sees its taxes going up from $30,000 a year to $130,000 a year. That must be highest and best use, but that's what it is, and they have just said, frankly, this will put them out of business. It's a woman and her two sons, and they've worked there for 30 years. They're just going to be put out of business.

Another example is a small high-tech business in downtown Toronto which attracts a lot of customers from the United States. They face a 500% tax hike; 500%. They're between a rock and a hard place. They can't afford to stay downtown, and if they move out of the city they know that they will lose all their American customers who just won't bother to go out of the city.

Many small businesses in our neighbourhood have told us the same thing. They will either have to go out of business or go out of Toronto.

In the 1950s and 1960s, high taxes killed the downtown areas of many US cities, and I've read about it quite a lot. Market value assessment will do the same thing to Toronto.

Before we hear yet again, Mr Chairman, that Toronto is currently being subsidized by the other boroughs, as was claimed yet again yesterday by a speaker who I thought would have known better, here are some actual facts.

Toronto's population is approximately 595,000, which represents only 29% of Metro's total, and they contribute 42% of all Metro taxes. The rest of Metro, 71% of the total, contributes 58%. In 1992—and I find this an alarming figure—$316 million, a third of a billion dollars, were transferred from Toronto's education funds to the suburbs to help pay for the schooling of their children.

I'd like to put this in perspective. This means that $513 for every man, woman and child in Toronto went to help pay for the schooling in Scarborough, York and East York; $513 for every woman, man and child in Toronto, and this happens every year.

Yet Metro, in its determination to push through MVA no matter what, has refused to do a social impact study. Why? What are they scared of? I also can't get an answer to the question of whether, under market value assessment, taxes would come down if property values continue to decline as they have since 1988. I can't get an answer to

that. Justice and equity demand that they do, but I can't get an answer. Is it any wonder, sir, that almost all of Toronto residents distrust Metro council's motives and have absolutely no faith in the fairness of the property tax proposals?

I want to tell you that they are quite right, because this brings us to the second reason why we in Summerhill are so strongly opposed to MVA. MVA is based on a totally false premise, a false assumption: namely, that the price someone else is willing to pay for one's house is a measure of one's affluence.

Of course the one does not follow from the other. In the 1960s, people bought houses in Cabbagetown because they couldn't afford to pay the prices anywhere else. Now Cabbagetown is fashionable and houses there are expensive. Now, does this mean that all the people who bought them 30 years ago are now wealthy, or that if they are not and they can't afford to pay their taxes, they should sell and buy something cheaper? Does this mean that older people must, in their retirement years, leave their neighbourhoods and relocate among strangers because "the market," which means other people, have decided that their home has become too expensive for them to live in? This is not just and it is not logical.

In all advanced societies that I know, the family home has always enjoyed what I would call privileged status. In many countries, mortgage payments are tax deductible, and here in Canada, profits made from the sale of the principal residence are not taxed.

Market value assessment as proposed for Toronto actually reverses this perspective. Market value treats the family home as an investment less privileged than any other, in that capital gains made on one's house, unlike any other capital gains, are taxed via MVA even before the gains are realized or the asset sold. You're paying capital gains each time your asset goes up, before you sell it.

Finally, with regard to residences, property tax based on market value tends to discourage home improvement and, in extreme cases, even proper maintenance. If each improvement is deemed to increase the value of the house and so attract more tax, people will think twice about improving their homes.

Turning to the commercial question, MVA is just as illogical when applied to commercial property, and it's even more destructive of the fabric of the city. Local shops are essential to neighbourhoods; walking to do the shopping is pleasant, it's healthy and it's ecologically sound. Destroy the shops and the neighbourhood becomes a dormitory, and shopping will have to be done by driving to malls somewhere else. Much of the attraction of living downtown disappears, and this is what we in Summerhill are most scared about. All the people up and down Yonge Street who have little stores—and we know them all and we shop there all the time, they're part of the neighbourhood—are saying to us, "My God, we don't know how we will make out."

Now, capping it for a time isn't going to take care of many of their problems, because many of them say, "Well, I'm just waiting for the axe to fall, and while I'm waiting for the axe to fall, I can't even sell the business because the buyer knows the axe is going to fall also at some point, and that is if market value assessment is implemented."

I was reading with great interest Metro's draft official plan, the one called The Liveable Metropolis, which I personally think is very forward-looking. Among other excellent proposals it calls for the intensification of the downtown, to increase the number of people living downtown, the density, without building a canyon city of skyscrapers. We were particularly interested in the main street concept of three- to four-storey to five-storey buildings on streets even like Yonge Street, with commercial at grade and two to three storeys of residential above.

The benefits to the city are obvious and I don't need to elaborate on those, but to make this happen, living downtown has to be affordable to medium-income families, and commercial enterprises will need encouragement to locate on these main streets. Implementing market value assessment as it is now, even with the cap, would have the diametrically opposite effect, discouraging downtown living in favour of going out to the suburbs.

1530

I suggest that the challenges are pretty clear. The challenge is to devise a property tax system which is fairer than the one we have now, but which is based on the cost of services, because that's what it's supposed to pay for; secondly, one that every residential or commercial property owner can calculate and understand for himself or herself and which does not rely on the judgement of any individual, particularly as we've heard today, some suspicion that the individuals whose judgement it is are hardly qualified; thirdly, and this is very important, that the basis of the tax is fixed unless the owner of the property does something which he or she knows will change it; fourthly, that any tax system is accepted as everyone as being fair; and finally, that the mill rate be the only acceptable mechanism for raising or lowering—fat chance but I had to put that in—property taxes.

You can't have two ways of raising property tax: the mill rate in one hand and market value assessment on the other. They go up like this and no one will know what taxes they have to pay from one five-year period to the next.

The province has the Fair Tax Commission already set up and I urge the government to ask the commission to tackle the challenges I've set out above, and in the meantime to hold off doing anything. The Fair Tax Commission can come up with something which must take into account all the problems that we see with market value—that even Metro sees with market value; it's changed its plan about four or five times in the last three months—and come up with something better.

Market value assessment, because of its inherent contradictions, which I have gone through, will never work in a property market which is as volatile as Toronto's downtown market is. It will be a continuing cause of dissension and resentment and a disincentive for people to live or set up businesses in the city. The taxpayers know it is arbitrary and basically unfair, and there will be no peace with MVA.

I want to end by repeating approximately what I said in a letter I wrote to Premier Rae, and what I actually said—because there's some idea that he said and it was said

again today, "This is Metro's problem and we must let it pass"—was, "Mr Premier, you were elected the government of Ontario in order to make choices, to make decisions and to just say we're just going to let it pass, I don't think will do."

Thank you, sir, for the opportunity to allow me to speak. I'll answer any questions anyone has.

Mr Turnbull: Mr de Zwann, thank you very much for an excellent presentation; very thoughtful. I agree with everything you've got to say. The only thing I would say, in your recommendation number 4, I would suspect it's probably impossible for any government to get a system which would be accepted by everyone that's fair.

Mr de Zwann: I accept that and I'd say a majority, 51%. At the moment, it's about 10%, I suspect.

Mr Turnbull: The great problem we have here is that the government would have you believe that really this isn't MVA and that this is just a step towards fair taxation. I would suggest that the majority of people I have spoken to from both sides of the issue believe this is a step towards MVA, because every time people get their tax at the end of the year, if they were subject to a reduction, they're going to see the clawback and they're going to be pushing for full MVA implementation.

The great problem I have, and you've centred in on it, is the destruction of the inner cities that will occur as a result of this and the disincentive to intensification. There are very, very few things I can ever say I agree with the NDP on, but I used to agree with it on the fact that it wanted intensification of the inner city and revitalization of it. This seems to be doing in the opposite direction. Perhaps you could respond to that, particularly for the minister and maybe—

Hon Mr Cooke: I'm was glad to hear it. That's the first time I've ever heard you say you agree with us on anything.

Mr Turnbull: I almost choked, David, but I managed to say it, but you seem to be going in the other direction with this.

Mr de Zwann: I'll tell you that we've had some discussions on intensification and on the whole thing, the whole plan. Intensification seems to me and to many of us to make a hell of a lot of sense. More people downtown makes it a more liveable place. It makes the streets busier. That's good. I think there will be less crime. Above all else, it moves in the opposite direction from what I have seen and we all see in many of the cities in the northern part of the United States. I mean Detroit, Buffalo and you can go on, Cleveland, there's plenty of them, even parts of Chicago.

It seems to me that anything to do to intensify, to bring people downtown, to make it more attractive, to make it more busy—you get a lot more taxes, for goodness sake, in the end—to make the shops more viable—that is more people down there—and above all else, to reduce the travelling in and out from the outlying areas—the more people you have downtown working there, the better; the less strain on the city's services there will be and the better the environment will be.

Somebody from the city told me the other day that if last year had been like the year before, and not so much rain, we would have had a real lot of trouble with pollution. They are saying they think it'll happen probably this year if we have a hot summer. All that will be taken care of.

Just let me comment on one thing on the capping, if I may, because the capping of course helps in the short term. Yes, you're not paying so much. It's not so gouging as it would be, but the fact is that it stultifies everything. It brings everything to a stop. Nobody's going to buy the property. They say, "What is the market value?" People have told me this because some of them have actually tried to sell their businesses on Yonge Street already and get out.

"What are the taxes?" You say, "Well, it's capped." "No, no. No, no. What are the proposed taxes in the end?" Nobody can sell them. There are a couple of people I know who are from the Far East and they've been here for many years, and they've been here as long as I've been in the neighbourhood, which is 15 years, and they are saying, "Our accountant tells us to get out," but they can't sell anything.

Ms Poole: Mr de Zwann, thank you very much for your presentation. It has been quite helpful in a number of areas.

I'm going to talk about the very touchy area of subsidization and two very competing theories on who is subsidizing whom. The suburbs for many years have been complaining that city of Toronto taxpayers are being subsidized by Scarborough residents. You pointed out the figure in your brief about having 29% of the population and yet the city of Toronto pays 42% of the moneys going into Metro's pot. When approached with those particular statistics, people from the suburbs would say, "Yes, but that's because city of Toronto businesses are subsidizing because you've got such a large business base."

Yesterday, I was handed a figure from the city of Toronto which said that the latest statistics are showing that Toronto has 27.9%—close to 28%—of the population and that city of Toronto home owners and tenants pay 29% of the moneys in the residential property class. If that is true, and I believe it is, it would mean that not only are we not being subsidized by the suburban taxpayers overall, but we are not even being subsidized in the residential class. Is that your understanding?

1540

Mr de Zwann: I hadn't heard those actual figures before, but yes, that could be.

Ms Poole: Neither had I, before yesterday, and I thought that quite illuminating.

Mr de Zwann: That would seem to follow, yes. I'm glad to hear that and I'm interested to hear that.

Ms Poole: It would be very interesting to take this one step further and see under the reassessment, under market value, what proportion the residential property owners in the city of Toronto would be paying then.

Mr de Zwann: Would be paying if there were no cap.

Ms Poole: I expect there's a dramatic shift-off. I think what this all points out is that the current system is indeed

inequitable. Obviously, we've heard a few examples of properties that are paying $800 in taxes in the city of Toronto, and I submit they are aberrations.

Mr de Zwann: Certainly. I've got all the property tax figures for all of our neighbourhood. I've looked through them and there's no one paying peanuts. There are a couple of very small houses on Shaftsbury, right by the railway track. They wouldn't be able to sell those for anything. They've lived there for many years and they're paying something like $1,200. I haven't found lower than $1,200, and these are very small houses. Most of them are paying substantial amounts, though not as much as some of the people in the suburbs are paying.

The Chair: The last question, Mr Rizzo.

Mr Tony Rizzo (Oakwood): I just want to say a couple of words about the fact that this is a problem that belongs really to Metro, not to the provincial government. We have only been asked to pass enabling legislation, nothing else.

Let's consider what you are saying and the numbers you are talking about. This is not the first time we have heard about these numbers. We also were able to see other numbers from different sources. Some of them were telling us that properties that have been assessed the same amount of money, let's say, $250,000, in Toronto or elsewhere in Scarborough, some parts of York or some parts of Etobicoke, the difference between their taxes is over $2,000 or $3,000. Projected to 1988, the difference between those taxes would be $8,000; $7,000.

My personal position is that it's a problem for Metro, not for the provincial government, but even if we had the say on that, what do you think should be my position as a politician? What should we tell those people who have been paying thousands of dollars more for years and years and who will be paying more taxes in the future, in relation to all of us who have been paying less taxes for years and will still be paying less than we should in the future?

Mr de Zwann: I acknowledged at the beginning of my address that the situation isn't fair at the moment. To replace one unfair system with another unfair system just because you'll be unfair to a bunch of other people doesn't seem to me to be good government or good sense. There must be a way in which you can equalize the taxes—I'm not talking about residential now; I'm talking about commercial—without devastating Toronto's commercial downtown. By commercial, I mean small shops, many of them run by people who can hardly speak English. They're all terrific. They're immigrants and that's the only livelihood they have. What happens if they go off? They go on the welfare rolls.

I agree with you that it's not fair right now. Obviously, there are anomalies. The reason there are anomalies is that nobody's done anything about the taxes for years and years and years. No one says they shouldn't do something about the taxes. They should, but it shouldn't be this.

Mr Rizzo: Do you have any alternative to whatever we have, as of now? Forget about the Fair Tax Commission. It may take years.

Mr de Zwann: As of now? Yes. I would base it on the cost of services. That can be done quite simply, in my view, by looking at the lot size and the house size. It's as simple as this: A large house could contain quite a few people; a small house contains less. Okay, you may have 10 people living in the small house and three people living in the large house, but you can't take account of that. But you can say that a large house probably has more bathrooms, they use more water anyway, they use more hydro, they have more sewage and so on, and a large lot also contributes towards the cost of services.

When I didn't quite agree with this, one time somebody said to me: "Imagine that every single lot in Metro was double the size. You'd have exactly double the amount of roads at double the cost of roads." So large lots are more expensive to service than small lots, and I would base it on that.

This would encourage people to come into town and live in town rather than encourage them to move away from expensive market value property, which I will remind you is no fault of their own. They want to stay there. Somebody else says, "Your property's too valuable." That seems to me to be very unfair. What it will do is encourage people to come downtown and it will encourage the intensification in Scarborough and North York, because the more people you have per square hectare or per square mile, the lower the taxes of the individual will be.

The Chair: Thank you very much for coming before the committee this afternoon. We appreciate your time.

PETER PAPANICOLAOU

The Chair: I'd like now to call Mr Peter Papanicolaou. Welcome to the committee. Please make yourself comfortable.

Mr Peter Papanicolaou: Thank you very much. I'll try to do my best. I'm speaking for myself. I have a sports business along the Danforth, and I'm frustrated with the amount of taxes I'm paying since 1976 when I bought that property. I'm in the business since 1973. I relocated my business when my lease expired and I bought the property; at that time, I bought the property for $190,000. It was double the usual price in the neighbourhood, but I had to go there.

I was paying $4,384 in property tax. I filed a complaint with my lawyer to the Assessment Review Board and they reduced my taxes from $26,500; it was assessed for $23,500. Then I went down to city hall myself and compared my property with equal-sized or bigger-sized properties in terms of units, lot size and storeys. I discovered that other people paid at least one third of the price I was paying at the time.

The other day, with market value assessment, I called the assessment department and told them that now my property is worth $800,000 and my tax will go up 25% in three instalments, so now it's about $16,000.

In 16 years, the price of my property went from $190,000 to $800,000; the taxes from $4,384 until today they are $12,000. When I bought the property, my rents, full occupancy, were $24,000. The last five years, the average income of that commercial property is $33,000 and the

average of the 16 years is $27,153, based on my income tax returns. Within 16 years, my rent went up $10,000 and my property taxes tripled.

The assessment department tells me, "Sell your property and go to a cheaper place." Who's going to give me $800,000 for a property that has a $33,000 income? Is that logical? Is there anybody here who is willing to give that type of money? I don't think so.

1550

Market value assessment now hits me double because it hits my tenants, it hits my neighbourhood; all my customers are affected by market value assessment. The present recession is the first year after 21 years that my sales went down. I started with $90,000 in sales in 1973, and I ended up with $750,000. This year my sales were $150,000 below, which means there is something—I didn't change anything in my store, absolutely nothing. GST and the recession make people scared to spend their money. I have to reduce my staff from five full-time people and two part-time. I have to eliminate one full-time and one part-time to be able to pay my way.

I'm coming back to the overassessment of my neighbourhood. It's not only my property; it's all properties. My property was new when I bought it. That's why I was paying high taxes. I was expecting, based on what I hear on the television—I'm not an expert, I'm not a politician. I work 16 hours a day, and I don't have the time to go to meetings. This is the first time in my life.

I had lots of fights with the assessment people. They told me: "Mr Papanicolaou, you are the only person from Broadview to Jones who complains that he's paying high taxes. Nobody has complained." I know they don't complain because they don't know how to speak well. I don't know how to speak myself; you are probably tired of listening to me. But I have here 12 letters signed by my next-door businessmen, all of them prominent members of our community. They don't approve under any circumstances of the market value assessment. I can guarantee you that if this law is passed, there's going to be a tax rebellion in our neighbourhood.

Let's go back to the way the assessment is being done. You have to find a similar property on the list to compare your property to in order to get a reduction. But paying that much tax and having that little income, it's not worth doing anything. Imposing market value assessment eventually hurts my tenants and myself, my business. Besides, hydro goes up 15%, so it hurts double.

The Chair: Do you want to leave a little time for questions?

Mr Papanicolaou: During the years 1988-89, quite a few people from Hong Kong came to our neighbourhood and bought high-priced properties, also some real estate speculators. Third, some specific-interest people wanted to build up business in the neighbourhood so they paid any price to get these properties to create specialty food business. Of course, if you make millions, you can pay millions for property. But for storekeepers and householders, we can't afford big business and attract more people. We pay for whatever speculators and foreigners did in our neighbourhood.

I would like to suggest that you postpone this market value assessment, have the province and city hall make more research and find a better way to assess people. I've got no objection to pay what is fair as a Canadian citizen. Thank you very much.

The Chair: Thank you very much. One question, Ms Poole.

Ms Poole: Thank you very much for presenting today. It's very important to us because, as you said, many people are not coming forward because they may not speak the language, because they may be intimidated by coming before a legislative committee, and it's very important that we hear what you have to say.

The area around Danforth and Jones is quite different from the part of the city of Toronto I represent, which is north Toronto, but there are certain similarities. I represent the small businesses up and down Yonge Street, a large stretch of them. They did a survey in September of the businesses along that stretch, and the survey showed that the average tax increase due to market value would be over 200%—that was the average—and that two thirds of the businesses would close down if that plan came in.

That was before they said there will be a cap, but when the upper Yonge business association was before us, it said, "Even with the cap, we are right on the verge right now, and we're going to have to close down." I suspect that may be true of a number of businesses along the Danforth as well, that they would have difficulty in paying additional taxes even with the cap. Would you like to comment on that?

Mr Papanicolaou: I agree 100%. I'm a businessman. I know how to make money. I came to this country without a penny in my pocket. Now I'm worth half a million or whatever. It's not fair to have a property which gives you $33,000 a year gross income pay $15,000 in taxes, pay another $10,000 to maintain and repair and stuff like this, and end up having invested $800,000 and getting back nothing. If you have a mortgage, you pay from your pocket. It's not fair.

Whoever did the assessment, it's not realistic. Certainly, if you've got a souvlaki store, they make so much every day. I don't. I'm working 16 hours a day. I don't think it's fair. If they force me to sell my property, I'll sell it. But I'll sell it, I'll make a trip around the world, and then I'll come back to go on welfare.

The Chair: Mr Papanicolaou, we want to thank you very much for coming before the committee. Did you want to leave those letters with the committee?

Mr Papanicolaou: By all means, you can have it; it's a copy. I sent the letters to the Premier of Ontario. That's a copy of the letter signed by the 11 businessman next to me.

The Chair: Thank you very much. We appreciate that.

Mr Turnbull: Before calling the next witness, could I make a motion that in view of all the evidence we've had which indicates that there is no relationship between—this is by way of explanation; it isn't the motion. I'd like somebody from the assessor's department to attend to explain the methodology. By way of explanation, we've had so many people who are talking about the gross income is

less than the total amount of money they're going to have to pay to maintain their property. It doesn't seem to make any sense. It has been claimed by the assessors that it isn't based on highest and best use. I want them to explain that, because I'm hard pressed to understand how they could otherwise arrive at these assessments.

The Chair: We'll work that out with the ministry so we can have a briefing on that.

1600

IRVING GROSSMAN

The Chair: May I call Mr Irving Grossman to the table, please. Mr Grossman, welcome to the committee. Thank you for coming. We have a copy of your submission. Please go ahead.

Mr Irving Grossman: For the record, my name is Irving Grossman and I'm speaking as an individual who is affected by MVA.

When I was a little boy my father worked at Tip Top Tailors down by the lakeshore as a sewing operator, and afterwards in the fur business sweatshops on Spadina. I used to help as a floor boy for 10 cents an hour. When my dad used to come home from work, he'd say, "Boy, when the CCF gets in, things are going to be better."

Later, when my folks bought a little tobacco store on St Clair West, where they worked 14 hours a day, seven days a week, they didn't realize that they'd now moved into the middle class, being merchants. They would still say, "When the NDP gets in, things are going to get better."

I'm starting with these words to simply let you know where I come from: Clinton Street Public School, Workmen's Circle Peretz Schools, Harbord Collegiate, the school of architecture, where I later taught for some years, and my private architectural practice since 1954. I've produced my share of social housing, such as the Crombie Park Apartments down at St Lawrence, numerous synagogues, schools and other community buildings—committees, committees, committees, I might add.

I also managed to buy, a number of years ago, a 20-foot-wide house on a side street tucked in behind Bloor and Bay, where I used to live and where I've had my office to this day. The rest of the offices I rented out, which placed me now in the new category of being a landlord, with the questionable task of collecting rent, always feeling a little guilty with my childhood teacher's words against capitalism still audible in my ears. Over the next 15 years, I acquired the houses on either side. I paid my taxes as required and I watched the city change around me.

Now at age 66, with a very small consulting practice and an increasingly difficult economy, I rely more and more on the houses for my livelihood. I know there are thousands like me. MVA has shaken the foundations of this lifetime plan. I have chosen today to speak about my own particular situation as one on one, as opposed to making large, global statements about our city, which many people have made very well before me.

In my case, the proposed increase is, believe it or not, 800%. Yes, 800%, where the current tax, say on number 7, is being upped from $5,000 to $40,000. I'm rounding slightly. With the other two properties together, it means I have to find, should MVA go through with its figures, $120,000 for taxes on three, 20-foot-wide, little brick buildings on lots that are 90 or 95 feet deep.

I called expert appraisers for opinions, and I happily found out that the concept itself, in their opinion, was flawed. The numbers were just simply wrong, even accepting the year 1988, which as you have heard many, many times, was a very high year.

I examined my own figures for 1988 and they were revealing. Taking my income, deducting expenses, I was left with a figure, not including mortgage payments or anything, which, factored by the normal 10-times factor, I was advised resulted in a value of just under $600,000. MVA had the 1988 figure at $1,991,000. Mine was based upon cash flow, the classic way for such assessment, I am advised. How they got the MVA figure, I don't know, and nobody asked me.

So the realty tax based on 1988 was flawed, and since then, of course, the net income has dropped some 33% on the properties. You've heard this story numerous times. There are hundreds, if not thousands, who have had the same complaint. Think of the appeals that will flow, the delays, the aggravation and, I predict, the ultimate tax revolt.

What would hurt me even more was that the same eight-times factor was being used on the business taxes of each tenant in my buildings, all small businesses like myself: a travel agent, a writer for the CBC, a children's book designer, an economic consultant for Third World countries—a charming Egyptian person—all jumping from a few hundred dollars per year to several thousand. They all came to me in great alarm, and I told them that the caps are going to be in place, that this is all a big mistake, it's history, not to worry.

But do they believe this? Do I believe this? I'm not really sure, especially when I heard just a few days ago that the legislation makes no mention of the caps, from what I was told, which will be handled by regulations, regulations which can be overturned by the whims of Metro council and, again, further lobbying in this room.

I understood that MVA had not been approved at Metro, but simply that a capped set of increases had been approved, which were indeed punitive, but nowhere near the 800% figure that would devastate me. My tenants have believed the same. Now I understand that the realty and business tax bills will indeed show the MVA insane figures, modified by an "abatement," I was told, to get down to the 10% increase promised on commercial increases.

This is not exactly no MVA. This will all create uncertainty, and you know well what the tenants are thinking. I've already received, three days ago, notice from one, a film financial consultant who's been there two years and is no doubt going back to Don Mills, where he lives. This could indeed be the beginning of the end for me.

The details may bore you, but the story for me is tragic, and for countless real people. It is not necessary, this tragedy. I heard said in this room this morning, and indeed you said it just now, that some of you agree it is a flawed system and that, furthermore, the NDP itself has been against MVA, but Metro has asked for it, and the reduced

version is better than the present inequitable version. I've heard that stated more than once.

This is the crux of the problem. You do not have to accept a flawed system. As an architect, I've been at numerous Ontario Municipal Board hearings where chairmen have taken various municipalities to task for inappropriate actions—poorly prepared reports, insufficient data, insufficient impact studies, illegal motions etc—and where the rights of citizens who were being wronged have often been the basis of their evaluation.

This is the role of the province. Cities are creatures of the province, as you well know, and you clearly have the right to defer any action on this matter until Metro answers any questions that you may request: any additional studies, anything. It happens all the time at the OMB. Why not here?

Especially the NDP government: How can you approve a flawed system, admittedly flawed? As an architect, how can I approve flawed foundations and allow a building to be built on top? Of course, I can't. There would be a stop-work order immediately and nothing going ahead until the problem was solved. You must do the same, surely.

There are so many repercussions to your decisions, of which you've heard much, especially by the Toronto Society of Architects this very morning, the Citizens for Property Tax Reform and previously, I heard on TV the other day, the taxpayers' alliance and others. Much, much good material has been given to you, many positive suggestions. You are not dealing here with a small group of vested interests. It is a groundswell that crosses a wide spectrum, many hundreds of people and organizations that are pleading for survival.

I don't believe any government can appease some of its citizens, who indeed may be overpaying taxes, as in the suburbs, by acting in a manner that traumatizes many other citizens into serious financial difficulty and destroys the core of the city at the same time. This is not a solution. This is surely not the NDP way. I don't understand.

We all agree that there's a need to address this balance. Let's be positive.

(1) Don't pass MVA; it's flawed.

(2) Be responsible statesmen and do not mix into the city-suburbs conflict. Stay above it as a provincial agency.

(3) Demand more data on what MVA will do, with proper economic and environmental impact studies. We haven't had those.

(4) Demand more data on an alternative tax approach which equalizes the admitted inequalities of the present system. No one has said that it's a fair system now.

(5) Demand that these actions be fast-tracked. There's no need to say, "Oh well, our suburban people are upset because they're going to have to wait eight more years for answers." There's no need to wait eight more years. You make it fast-track, the way they go out and tender buildings now. They hire the architects, fast-track it and are excavating within months compared to the usual two- or three- or four-year periods. You just demand it. It can be done, especially with communications technology. Make a time limit of one year, that's it, for this to be presented. This is an emergency. We're dealing with the life of our city.

(6) Allow for such a new system—I had this idea coming here—to be retroactive, perhaps, in order to help those who right now have been able to prove they're paying too much. Maybe there's a way to benefit the injured parties so they don't feel outraged that you're delaying it—probably for ever, they're going to think—if there's some way of addressing that. It's not easy; I know that. Don't accept a flawed system, a flawed approach for political reasons. Do it right, now.

1610

The Chair: Thank you very much, Mr Grossman, for your presentation. We have time for two questions.

Mr Perruzza: I had a question in mind. If I can recall it, I will ask it too. We don't like market value. I'm supposed to be one of the winners under the system because I represent a district that has essentially been paying too much for a long time, but Metro has a right to ask for this plan, as do all the other municipalities in Ontario. Quite frankly, I think the overwhelming majority have been granted market value. This is not a system that was invented by us and it's not liked by us.

Mr Grossman: I understand.

Mr Perruzza: But if Metro went back and essentially asked for pure market value, we as a committee would not be dealing with it. The Legislature as an entity, as a government, would not be dealing with it. They would just simply get rolls returned to them, as every other municipality in Ontario gets.

If push came to shove and this plan was somehow scuttled and the rest of it and we did nothing, Metro—and quite frankly the ratepayers in the suburbs have been educated enough on this that if they applied, conversely, the same amount of pressure that has been applied by the stock market value side, I think they'd be able to muster the votes to push for full market value. I think 61% or 62% of the properties in Metro would actually receive a reduction under full market value. That 800% you're fearing could actually be eventualized if something like that were to happen. I caution that because it's their right, as it is every other municipality's right.

Mr Grossman: I know what you're saying, and that's why I suggested on my own cognition, without any advice from anyone, that you've got to give something now to the people who are being wrongly hurt. You don't want them to feel that they've been scuttled with this, "Oh well, eight years from now."

Mr Perruzza: Where do you get it?

Mr Grossman: You make something whereby whatever is arrived at, say, within the year is retroactive to the year, so that they know that down the line there's going to be an equalizing, and if they're entitled now, somehow they'll get it. They're not losing the year is what I was trying to come up with. I know it's tricky to write that type of law; it's got to be filled with thorns, but you have—

Mr Perruzza: Where do you get the money?

Mr Grossman: The money would be when this system that's proper is worked out. I guess what I'm saying is that you've heard endless times. I understand what you're

saying and I'm not an economist. All I know is that they did something in Kitchener and now, apparently, the wheel's rolling around and those people who got the benefits are now paying the extras and those people who were paying the extras are now being the critics.

It's a crazy system. It doesn't have any record. The track record is dreadful. Detroit is apparently on MVA, and look at the downtown. The answer is, don't jump hastily. At the OMB—I've been there—if things aren't properly documented, if they find some errors in the arithmetic: "Goodbye. Come on back with proper figures." You just can't carry on with improper figures. It's Mickey Mouse to do that.

Mr Perruzza: Just getting back to—

The Chair: Excuse me, Mr Perruzza. I'm afraid we're—

Mr Grossman: Am I getting carried away?

The Chair: Not at all.

Mr Turnbull: Mr Grossman, I know you've sat through a great deal of these hearings and you've heard a lot of the presentations. You correctly have picked up the fact that over and over again we hear the NDP saying, "This is a flawed system. We know it, but there's going to be something better." I've got a couple of questions within one. If, as is suggested, they're going to come forward with something better, then why on earth are the tax bills going to show the potential reductions that the people are getting, less the clawback, which is going to just have people screaming for MVA? I suggest that the mere fact that that is going to be on the tax bills puts a lie to the suggestion that we're not going to get full MVA, that we're going to get some revolutionary tax scheme.

The other question I would like to just bounce off you for you to comment on is the fact that it's quite apparent from this scheme that in fact the large office buildings were treated on an estimate of income basis to arrive at that value, whereas the smaller buildings have been assessed on highest and best use. Perhaps you could comment on both the question of this truly being the beginning of MVA by going on the tax bill and also the approach to the assessment of—

Mr Grossman: Well, I only heard about the bills showing MVA. Up until a week ago, I thought: "Well, it's a bad scene, 25%. Things are worth 33% less now than they were just a short while ago. It's a mess in terms of having a building."

Somebody coined a joke the other day: Another definition of child abuse is to leave your children property. It's really very unpleasant out there.

When I heard, I figured, "Oh, well, it's the best we can do; at least it's not 800%," and I wasn't in total distress. When I heard this information just Monday or Tuesday of this week, that from what I understand it's all set up as an MVA deal, less a bit of an abatement, I thought: "The intentions are very clear. This is just a kind of manoeuvre."

I think everyone is going to feel totally shocked when that information becomes public and when people begin in fact receiving these bills, if this ever happens, especially, which is not emphasized a great deal, the business tenants, because the business tenants are my income at the present time to a great degree, as they are all over.

These little people who have come up with two-storey buildings have a store in the bottom where they work 16 hours a day and upstairs they may have a tenant or two who's covering the mortgage or who knows what. All those people, when they get these increases in their business tax, are going to say, "We'd better go elsewhere," and that kills the man below, aside from his realty tax. That's the double-edged thing that isn't emphasized enough. So I think you're right, that when they see that on the bills, there's going to be—especially among people who don't understand the language too well.

The question about certain businesses being done on income and others not—

Mr Turnbull: I was suggesting that it appears by the approach used on the large office towers that it seems to be based on income, whereas the small buildings—I'm talking about commercial at the moment—seem to have been assessed on highest and best use, in other words, knocking it down and a big development going in.

Mr Grossman: I didn't have a chance to check all the statistics with the printout. I've got dozens and hundreds of them, but I didn't have time to dwell on them. I looked through the Yorkville scene, which is close to me, and certainly they're all in the several hundreds. I didn't see many at 800%, which is unbelievable, although I met somebody who has a large warehouse commercial income property down on Front Street who told me he was up 1,000%.

I also heard that the major shopping centres in the Metropolitan area were being treated in a very interesting way where the owners—this is hearsay—literally have no tax gain. In fact, there's a tax reduction, because they're the owners and they're paying to themselves, as opposed to the tenants who are the shopkeepers within. But I don't have verification on that.

Mr Turnbull: In fact that is correct. In Yorkdale they've found that the ownership and the very large tenants are getting reductions, and the small tenants, who are already paying higher rent per square foot than the large tenants, are getting significant tax increases.

Mr Grossman: All right, my last 30 seconds, Mr Perruzza and Mr Rizzo and the others. We're dealing here with little people, thousands. I may own three properties in behind Bloor and Bay, but I'm a small potato compared to the big scene, and it seems to me that there's a huge responsibility to cater to the small people as well as the big, and if there's something wrong, you hold it. You say to those people, "You're right, you're right, no one's arguing with you, but the present system isn't right and we're going to get a good system," and that's the only choice you have. You must get a better system.

The Chair: Thank you very much, Mr Grossman, for coming before the committee today.

I call now Mr A.J. Diamond. I believe Lenore Kessler is here, and she would be the next witness.

1620

Ms Poole: I'm sorry to interrupt, but just before we go to the next witness, we've now had four presentations just this afternoon which have talked about the flawed assessment process. When the Ministry of Revenue is asked to appear before our committee, I wonder if we could also ask them to prepare some data on the methodology, on who assessed these properties, because there were details brought forward that they were college students. We would like to know the difference in assessing small businesses as opposed to the large office towers. If they could make sure, when they come, that this type of data would be available to us, it would be very helpful.

Mr Turnbull: Perhaps the qualifications of all of the people involved in the assessment—the whole range of them.

Mr Perruzza: When does the member propose to have this happen, that the Minister of Revenue is going to appear and assessors and everything else?

The Chair: I think it was the ministry—just information that would be prepared on paper to help us in understanding some of these questions.

Mr Turnbull: I actually made a motion to that effect.

The Chair: We'll submit that to the—this is a normal way—

Mr Perruzza: Oh, so just get information from them, not that—

Mr Turnbull: I wanted officials from the Ministry of Revenue to attend these hearings.

The Chair: We had discussed as a committee that when we had completed that, there would be time for a further discussion with officials because of questions that had arisen.

A.J. DIAMOND

The Chair: Mr Diamond, sorry, we can proceed now with your presentation.

Mr A.J. Diamond: I'm not going to read you my paper, which is very brief—it's a page and a quarter—but what I would like to do is highlight the points so that if you have questions about them we might have time to discuss them.

Before really launching into it, I've been interested in the hearings, in the discussion about equity. No doubt it is curious as to what's driving the whole issue. Is it to raise more revenue or is it a question of equity? I think that for those who are disturbed, as Mr Perruzza appears to be, about the question of equity—

Mr Perruzza: I'm not disturbed about it. I seek—

The Chair: Mr Perruzza—

Mr Perruzza: Well, he mentions me—

The Chair: Allow the witness—you have an opportunity to question.

Mr Diamond: I think that's a very short term view about equity because it's my contention that the long-term effects of this apparent correction of the imbalance will in fact be counterproductive.

It is my view that the cure is much worse than the disease. So the question of the impacts of redressing apparent inequities at the present time are extremely serious and those impacts for those who are pushing it from this direction might be something they will live to regret. Therefore, the question of their impacts is vital for both those who are concerned about the immediate question of equity and the other larger questions which I'd like to address.

The first one is that if indeed the considerations of those who see a negative impact of the MVA system are the social costs, you only have to look at American cities to see that. Indeed, when you lose the natural social policing and the natural systems in operation in a city, there are no taxes that can pay for their correction.

One of the impacts of the depopulation of the city, of the loss of its diversity, of the reduction in the small businesses that have a symbiotic relationship with the large ones, of a full spectrum of residential uses—those are not going to be compensated for by a higher generation of taxes because they themselves are at the present time self-policing and self-organizing. That is one of the really serious impacts that I suspect ought to be looked at.

If I'm wrong, I'd be delighted to know it. One of my problems is that it hasn't been demonstrated that these fears are groundless. I think you ought to be concerned about these kinds of fears that have been raised because, if they prove to be true, passage of this bill will in fact be extremely harmful to those who are using it to try and improve things.

The reason that Toronto is as admired as it is in North America, and indeed in the world, is that for whatever reason, governments have been good about seeing to it that there are mechanisms to make it affordable to a full spectrum of residents. That's one of its great strengths. It's not left to the very rich and the very poor alone, but there's a full spectrum, all ages and all incomes. If we lose that, you have the kind of erosion of that fabric which is very difficult to stop. Clearly this is going to happen, in my view.

One of the questions and problems about equity is that you pick a time in which you assess at 1988, whether it's a good or a bad year in economic terms doesn't matter. There are pendulum swings about the value of residential in suburbs and the residential in downtown. I've lived, and not that long a life, but even during the time I've lived I've seen the swing between when housing was cheaper in the suburbs or when housing was cheaper in the city. Whatever point you pick, because these things are in dynamic shift, it will always be inequitable, and therefore taxation ought not to be looked at only in terms of equity, it ought to be looked at in terms of an instrument of larger public policy.

I want to point out that Toronto's not simply another larger urban area. It has a critical mass and diversity that puts it among the most important urban—what are called in the jargon—conurbations in the world. You can look at southeast England, you can look at Silicon Valley in Los Angeles, and it is very important.

I'm sure nobody in this room, or very few people in this room, wanted Toronto to have to suffer the impacts of free trade, but we have it whether we like it or not, and if

we make Toronto less competitive, the suburbs will suffer as much as the city if it becomes less competitive.

One of the problems with the taxation system we have is that if you peg it on a market value assessment and it's fixed and rents are driven down by economic circumstance and you can't change the taxation because somebody picked an arbitrary year, it means you've rented those commercial enterprises uncompetitively.

If you look at the Economist that did a survey of Canada, it said that Toronto is among the most expensive commercial real estate centres in the world. We've got a real problem, because we could be attracting headquarter companies as well as small companies, North America and worldwide. Right now we can't because of the taxation business, which is going to be exacerbated. Right now it's a problem. Imagine when it becomes exacerbated.

You would understand that Toronto has 75 million square feet in a closely knit area, which allows high-level transactions to take place, face-to-face contact, which is very important in this kind of a special urban conurbation. It's only exceeded in North America by New York and Chicago. If you count Washington and all the government stuff, it's also exceeded by Washington, but it's not exceeded by Washington in terms of what I'm talking about. It does so, unlike Washington and New York, in a safe condition.

We have a very powerful competitive instrument here, but it's going to be hamstrung by this system and everybody will suffer, because it is not simply the same market share that we ought to be arguing about. It's extremely narrow to be doing that. We ought to be looking at the market share we could have if we in fact see to it that this instrument is a sharp one.

I find the greatest contradiction in this whole system is that the province has been encouraging every municipality to have as a statement in its official plan—the preamble to the official plan is intensification and consolidation. Clearly market value assessment, in its present structure at the point in the economic pendulum that's been picked, is absolutely in favour of decentralization and sprawl.

The costs of sprawl are huge. I've been preaching this for 15 or 20 years. It's now coming to be a point of understanding, but I feel that I am in the same position on MVA as I was about sprawl 15 years ago. I'm telling you it's serious, and I don't think you can cop out by saying this is a Metro problem.

You could have argued that the Spadina Expressway was a city problem or a transportation problem. The fact is that there was an enormous step in. I wasn't a Davis supporter or a Conservative supporter, but I can say that Davis's stature rose extraordinarily because he took a step that cut across his own constituency but was ultimately to the benefit of the city.

My final point is that indeed tax reform is needed. There is no doubt. Remember, for the NDP to exacerbate a regressive tax—real estate is a regressive tax as a foundation, and you guys are going to allow it to be exacerbated—seems to me to be the most extraordinary inequity possible. What a contradiction. What an irony. What a joke.

There is tax reform needed, there is no doubt about it, but you're not going to do it by the kind of horse-trading that's going on at Metro level, driven by local considerations, and expect to come out with an instrument which is indeed better than the one we've got. Therefore, it's incumbent upon you, in my view—and when you vote for this bill, remember, really think about the consequence of what might happen—I think it's absolutely imperative that you have a proper tax investigation and come out with a design that works and that we understand to work, because right now nobody understands whether this will or won't work.

1630

The Chair: Thank you. We have two questions. Mr Turnbull and Mr Perruzza.

Mr Turnbull: Jack, I think it's worthwhile pointing out to this committee that you were one of the leading people in this city in terms of taking old buildings and renovating them and giving them new life, rather than just knocking them down and building faceless towers. It alarms me, the suggestions as to what we're doing to our city with this proposal. I suppose that it could be suggested that it's a scare tactic that's being used, but I don't think so. You stated in your submission that taxation should be an instrument of public policy.

Mr Diamond: Precisely.

Mr Turnbull: It seems to me that you should maybe expand upon that a little bit and also expand on the fact that the government is essentially doing a Pontius Pilate and saying, "This is municipal."

Mr Diamond: It's not going to wash. Politically it's not going to wash, as well as the fact that the municipalities are a creature of the province, and everybody knows that.

Hon Mr Cooke: You're not allowed to say that.

Mr Diamond: What's that?

Hon Mr Cooke: Well, I've learned since I've been Minister of Municipal Affairs that you're not allowed to say that.

Mr Diamond: But it's really true, and the fact of the matter is that it isn't going to wash because right now it's before the province, and whatever happens on this bill, the province will be blamed for it. So whatever step you take, you're going to have to live with that.

But in terms of the taxation as a question of policy, we understand that in the income tax system we use it to redress social inequalities. We use it in certain industries to encourage—for example, in the oil industry we have used it as an instrument of encouraging exploration.

I think the problem is, at its very foundation, that I don't think people understand the importance of a healthy city and how delicate the balance that Toronto has struck is. The analogy I've used in my paper is a forest ecology. If you cut the undergrowth in a forest, it isn't simply cleaning the forest. The trees die. They need one another. It may be a rather simplistic analogy, but the fact of the matter is that they are, all of those small businesses and big businesses that work together—let me give you an example. Printing is very important for a headquarters city. Printing establishments normally can't afford high rents. They have to be near the city centre; they don't have to be in it. There

are a number of service industries which require to be near it. Once you dislocate those, you really dislocate the industry quite significantly. You add cost to it, but you really make it ineffective. Cities that work, economies that work, have a series of vectors that are working together for a common end and become very powerful.

Those dislocations are really quite serious, and there is already a loss of service industry from the city. There really is a loss. What we need is an instrument in which to correct that. In fact, there needs to be a kind of reverse market value in order to see to it that there is sufficient diversity and there are sufficient support systems in order to keep the city so vitally alive.

So it's my view that, as I said, the question of equity is a kind of simplistic issue which might sell in a suburb today, but watch out about the effects, if they are as I suggest. I'm not being alarmist, because I've seen cities that this has worked in.

Mr Turnbull: Briefly, the other question I have is that it appears, from all of the examination that I've made of this assessment, that the approach that has been taken to maybe the big bank towers has been an income approach, and that the smaller properties have run afoul of the great speculative boom of 1988. There's no way the cash flow of the small businesses is reflected, because they didn't have the ability ever to generate that kind of cash flow.

Mr Diamond: In fact, the review that you and Mr Rizzo asked about—you asked, "What suggestions do you have?" Not only do we not need this MVA system, which I think is a crock—I mean, I really think that it's becoming more of a crock as there are going to be exceptions to the rule and there are going to be caps on it and it's going to be manipulated in order to try to satisfy some particular interest against another, as will be inevitable. But the present system is poor.

Let me give you an example of how different-sized enterprises can accept or not accept the fluctuations in the market. The taxation system on commercial real estate at the present time taxes empty space. Non-revenue-producing space is taxed, I think it's 10% less, as if it were full. Can you imagine what that's doing? The system is lousy now.

Mr Turnbull: Yes. One last quick question: The assessment department claims that it wasn't based on highest and best use. Can you believe that the values that occurred with small businesses in 1988 could be anything other than highest and best use? Is there any other justification?

Mr Diamond: No. In fact, you have to fight every taxation officer, and there will be arguments about why—look, the object of a tax appraiser is to gain the highest revenue for the city. That's really their hidden agenda. The agenda out front might be questions of equity and fairness, but in fact it's to see to it that you're paying the biggest shot you can. I understand that.

So the very fundamentals of the way in which we tax—in fact, real estate as a basis of taxation is suspect. It's regressive. It has market fluctuations. I know it's cheap. That's one of the reasons that real estate is taxed. It's a very cheap method of raising tax, and you can't get away with it; in other words, you can't pocket it and run. So there's a certain security to real estate as a basis of taxation, but that's about it. Those are about the benefits. After that, in my own view, if you're really looking for an equitable system, clearly income ought to be a basis and, as is suggested, simply a question of service costs.

But I don't want to proffer and I don't want to get drawn into a discussion about what would be a good system. It's precisely my pitch that that should be the subject of the best minds in the province, looking at it from every aspect—the question of equity, of public policy, of impact and the need to keep Toronto an extremely healthy, competitive place. That's crucial.

Mr Perruzza: You referred earlier to my position on equity. I had the pleasure to be able to introduce in the Legislature, as a private member, a resolution to remove education from property taxes. That happened, I'd say, about three weeks ago. In fact, the resolution was supported overwhelmingly by our party. As I recall, Ms Poole spoke against it.

Ms Poole: That is actually not true. I supported you.

The Chair: Mr Perruzza, can we focus on the question?

Mr Perruzza: I essentially believe that property taxes are an awful thing. I've always believed it.

Mr Diamond: I'm glad to hear it.

Mr Perruzza: I believe that what you should try to do is roll back and base it as you said. Any tax that you try to impose on people should be imposed on ability to pay, on wealth, on those kinds of issues, not based on where one lives.

Mr Diamond: And larger questions of policy.

Mr Perruzza: Precisely. But when the decision before us is essentially the one that's been placed before us, to make a decision on whether you take a little step towards achieving some form of equity within the current system—we didn't create the market value system we have. We have a market value system that is essentially 40 or 50 years out of date and it's been perpetuated and rolled forward.

I represent a community that is essentially, by and large, going to benefit from that little step forward. It's not a great benefit to any degree, but they've been overpaying under our current market value system.

Now Metro is legally entitled to ask for what it's essentially asked for and we've returned updated rolls to, I believe, somewhere around 280 other municipalities across Ontario. Why should we treat Metro differently in this particular case? You make a very strong argument. In fact, everything you've said may be realized; I don't know. Only time will tell.

Mr Diamond: Hopefully not.

Mr Perruzza: Hopefully not.

Mr Diamond: Hopefully we can devise a system that you don't have to worry whether I'll be right or wrong.

Mr Perruzza: Yes, absolutely.

1640

Mr Diamond: But in answer to your questions, if I might, you're the government, and therefore in power, it seems to me—

Mr Perruzza: No, I'm a member of—

Mr Diamond: You're a member of the government.

Mr Perruzza: I'm a member of the governing party. As I'm often told, the government is the executive, the cabinet.

Mr Diamond: You're a member of the governing party, and obviously, why would we be having hearings if we can't affect the outcome? Are you saying that there's nothing we can do, that in fact you're powerless to change anything? Is that what you're saying?

Mr Perruzza: No. What could happen is, I guess we could essentially do nothing and Metro could have the debate all over again and—

Mr Diamond: But the implication is that: "There's nothing we can do. It's not our business and we can't change it."

Mr Perruzza: Well, no, here's what could happen. We could essentially do nothing. Metro could ask to have the rolls updated under full market value, as 280-some-odd municipalities in Ontario have done, and receive it.

Mr Diamond: And, of course, destroy the city—

Mr Perruzza: We would just give—

The Chair: Allow Mr Diamond to answer the question. I'm afraid we're going to have to move along. Mr Diamond, if you—

Mr Perruzza: That's the law. That wasn't constructed by us; that was the Conservatives.

The Chair: Mr Perruzza, allow the witness to respond.

Mr Diamond: I wanted to say that I have to reiterate the reason why—there are three parts to your question. The first one was, I was interested to know whether there is any power at all in this hearing and whether any changes are possible, and the answer, I take it by inference, is yes. The second one is, why is Metro different? I tried in my paper to demonstrate why it is different. The third question was the inequities of the taxation system now and whether, if it went back to Metro, it were to simply impose a full market valuation, everybody's taxes would go up such a huge amount.

I have tried, if you were listening to what I was saying, to say that yes, of course it is wrong now. Nobody is saying that it isn't. What we're saying, and what we think it is in your power to do, is to have a proper investigation and devise a system that takes these factors into account.

Mr Perruzza: You're saying Metro didn't conduct a proper investigation.

Mr Diamond: I'm absolutely saying that.

The Chair: Thank you very much for coming before the committee today. We appreciate your presentation.

LENORE KESSLER

The Chair: I now call on Mrs Lenore Kessler, if you would be good enough to come forward, and for those awaiting to appear, next will be Mr Henry Feith and Mr Michael Clarke, who are appearing together, and then Miss Danielle Mascall.

Ms Poole: Mr Chair?

The Chair: Excuse me, just before we begin. Ms Poole?

Ms Poole: I apologize, but I did want to just correct one thing. It is 735 municipalities across Ontario that have requested reassessment under market value, not 260.

The Chair: Thank you for that clarification. Welcome to the committee, Miss Kessler, and please go ahead.

Mrs Lenore Kessler: Thank you. I didn't think I was going to have the privilege of speaking here until yesterday at 4:30 pm when I got a phone call, so I am not as prepared as I would like to have been. But here I am, and I do have something to say, and as this is a very disturbing emotional issue to me at this time, I'll sort of refer to my notes that I drew up this morning.

Something about myself so you have the picture: I was born and educated in Toronto, but my entire professional career was spent in the United States. I elected an early retirement in order to return to my roots and bring my husband with me. We decided to buy a home, and that would be our very first home—rather late first-time buyers—as a hedge against inflation and to provide a sense of security for our senior years. As neither of us drive, it meant buying a house in an old established residential area in the city of Toronto with access to the subway and in the downtown core, also because we had lived in Manhattan and that's the type of living we were used to.

We pretty quickly found out this meant paying twice the price we had originally intended, and we were advised to buy a new house because we didn't know much about a house—we'd lived in apartments all our lives—being penalized when we bought the new house, we found out pretty fast, by having to pay much higher realty taxes than other people in the area. We sort of accepted that, because that seemed to be the name of the game.

When I first heard about market value assessment, it was presented as a means of establishing fairer realty taxes and more equal spread of the tax burden. I would think this should have benefited people such as my husband and myself who were already paying taxes on a 1985 property value. Instead, the inequity has been further compounded by MVA.

Our 1992 realty taxes on a row town house, one of seven houses, 14 feet wide by 76.73 feet deep, with no backyard and a postage stamp front, were $4,131, which will be increased in 1993, by the information available, by $637, plus all the other increases inherent in taxes: mill rate, education, what have you.

Then I hear about the 5% and 5% proposal. What fairness is there in that proposition for a person already paying two, three and even four times the realty taxes of some in the same neighbourhood in older homes? The inequity becomes even greater year by year. With my knowledge of mathematics, if the system persisted, instead of paying double, triple and quadruple what some others were paying, we'd end up paying four times, six times and maybe even more, if it's perpetuated.

To my understanding, market value means the price a buyer is willing to pay for a home. The use of 1988 is appalling, but if you're going to use 1988, there's one

thing I do not comprehend: If 1988 is the year MVA has chosen, why would anyone's taxes anywhere be reduced, no matter where in Metro the house was located, unless it was bought and built in 1988 or 1989? Any home anywhere purchased in 1970, 1980 or any time prior to the boom year of 1988, as far as I know, would have a much higher market value using 1988 figures.

For some people to tell me my home's worth more because of its location than a similar home in another part of Metro is no logical explanation. We're not comparing houses; we're comparing values. Be it a little house or a big house, if they cost the same and they sell for the same, it remains, as far as I can see, that they both have the same market value. One sacrifices luxury and size of the house and lot for the more expensive location and land value.

Also, I've looked over the market value reassessment sheets and I can't believe what I'm seeing. All I have to say is, did the assessors willy-nilly assign a house to a value or perhaps pick a number or amount out of a hat? Even the proposed assessments on the new town houses—these are the Baker's Row town houses near Summerhill subway, just west of Yonge—are inaccurate and completely irrational.

There were, I believe, 75 town houses built over a period of four or five years, beginning about 1980. Most of them were on Alcorn Avenue, the street on which I live, but some were on Walker Avenue and some on Birch. A few are detached, some are semidetached and some are row houses. They're all vastly different sizes and have vastly different amenities and features.

Our house was built at the bottom of the scale, as far as size, amenities and price are concerned. No other Baker's Row house has such a tiny kitchen as we have. Do your assessors think that kitchens aren't important? Are balconies, backyards and such demand features irrelevant? They certainly were relevant as far as the purchase price was concerned. It wasn't the house of our choice; it was the cheapest house. There are houses that have taxes higher than houses on your new assessment.

When my husband and I purchased a new town home bearing such high, inequitable realty taxes, we became aware of the realty tax grant for seniors, because my parents told us about it. We counted on that as a buffer as we grew older and taxes grew larger. Now I understand the realty tax grants have been rescinded. That's a point I haven't read much about or seen anything about. No consideration has been given to those whose taxes will increase and, in actuality, increase even more because of the loss of this long-standing benefit.

The impact of the 1988 market value in the city of Toronto is disastrous to people like my husband and myself. We bought the home as a hedge against inflation and will find, under MVA, that the house is unaffordable and difficult to sell due to the exorbitant taxes. I just want to say that my husband and I are not snowbirds. We don't cross-border-shop. We live in Toronto 12 months of the year, paying the GST, provincial sales tax, buying food, furniture, clothes, services, everything locally, perhaps some of it as a loyalty, because we have access to American money and everything else and could cross the border easier than some other people. But I believe you buy, you do your business, where you live.

However, I'm beginning not to feel that way any more. We contribute much to the economy and take away nothing, because we don't even occupy a job. So I would like to know what you're going to gain from gouging people like us. You'll eventually drive us out of the city, you'll drive us out of Metro and out of Ontario, because when I pack up to leave, I'm leaving. We're just forced to contemplate that.

Now, I would have had more to say, but I was told I had 10 minutes.

The Chair: That leaves us a little bit of time for a few questions.

1650

Mr Perruzza: You mentioned the tax grant to seniors. Is yours being eliminated?

Mrs Kessler: Tax grants are being eliminated to all seniors.

Mr Perruzza: No, we haven't eliminated, we've essentially made them a little more progressive. We've raised it for low-income seniors marginally, and the way they're being changed is the way the money is being delivered. We no longer will refund it through a cheque, but you'll be able to claim it on your income tax; that is, the province of Ontario will pay it through the income tax.

Mrs Kessler: Excuse me, but I read about that in the paper the other day and it says very clearly—it was stated that people of low income. So it's the same old story, isn't it? It's not going to be $600.

Mr Perruzza: I think you lose all of it when you reach about $50,000 a year income. Somebody correct me if I'm wrong. You lose all of it when you're up around the—

Interjection: Around $52,000.

Mr Perruzza: —$52,000. So if you're income is $52,000, yes, you will lose it.

Ms Poole: I think it's $27,000.

Mrs Kessler: Did you say $27,000?

Hon Mr Cooke: That's the break-even.

Ms Poole: After $27,000, you're making less than you did before, under the old system.

Hon Mr Cooke: It's about break-even till about $24,000 or $25,000.

Mrs Kessler: Anyway, I don't care what it is; it will eventually, I'm sure, just fade away.

Mr Perruzza: I just wanted to clear up for you a little bit that it isn't being eliminated; in fact at the low end it's being increased. Between, I guess, $22,000 and $25,000 or $26,000, you're at the same thing: $600 a year is what you'll get. Above that, it begins to scale back. That's what's being done to the tax grant. You lose all of it when you reach, I believe, around $50,000, $51,000, $52,000. Then it will be phased out, it will be eliminated, so you can't claim any of it. Just to clear that up for you, okay? Below $22,000 or $23,000, it goes up to $700. I believe you can collect as much as $735.

Mr Rizzo: Up to $1,000.

Mr Perruzza: Up to $1,000? Then it begins to scale back, okay?

Ms Poole: Thank you very much for taking the time to come down and present to us today. Near the beginning of your comments, you talked about the reason you decided to buy a house when you came back to Toronto. You said it would be a hedge against inflation and security in your senior years.

The city of Toronto has a disproportionate share of seniors. In fact, I think we're something like 50% above the provincial average. The seniors I've been talking to no longer feel secure with the plan that's coming in. Judging from the 1988 year they're using for values, what is your home on Alcorn Avenue worth today, approximately? What are they selling for today, compared to what they sold for in 1988?

Mrs Kessler: I would say for one third less, maybe even more. They're difficult to sell too, because there are a lot of people who don't want attached houses, semi-attached houses. They don't want town houses that have narrower stairs and no land, so they're difficult to sell. On top of that, the prices are high. You know that when you buy, nobody puts a gun to your head and forces you to buy a house, and the values went very high on those houses in the boom.

Just before the boom, I happen to know as an instance, that for one of the town houses someone I know paid—I don't know whether it was 1986 or 1987—about $527,000. It was bought as an income proposition, not a house. They didn't live in the house; they rented the house. Well, it became evident what was happening, and last spring they just unloaded the headache for $399,000. Today I don't know whether you'd get that.

Ms Poole: I think that would reflect the general situation in the city of Toronto statistics that Anne Johnston, a Metro councillor representing the city of Toronto, presented yesterday. She said there had been a decline in values of approximately 34% for city of Toronto properties. I think in Etobicoke it was 13%. It was very obvious that the suburban properties had declined much less in value than the city of Toronto. So for people who say, "Oh, it doesn't matter that 1988 was taken as the base year; it doesn't matter because market value treats everybody fairly," I think it does matter.

Mrs Kessler: I think so. I know that just in our street and area, it was almost like some sort of a contagious disease. I couldn't believe sometimes what was happening on the street with people buying houses and what they were paying.

If you want to hear about something else which touched me but really doesn't now, my father is now in a nursing home, somewhat in the same area, but he was more west of Avenue Road but within walking distance. One reason why I wanted to be in that area is because my parents were alive. My mother and brother have since died, but my father is now in a nursing home.

The headache was, in the bust, to sell the house, not only because—this is something that is somewhat pertinent—it was a triplex and those houses in good areas which were touched by rent review—the realty taxes on the house in 1992 were about $6,000, but an apartment was being rented in the house for less than $500, so it was a loss. I was very happy that somebody wanted to buy the house no matter what, with the loss of certainly a third maybe, in the crazy span when people seemed to be all of a sudden caught buying anything, in 1988 and early 1989. But it was pretty tough and you had to just resign yourself.

I would suspect that we took maybe more than a third less than we would have got in the boom. But when I hear what's going on now—because that would be on the old basis in Metro, $6,000 in taxes—boy, am I glad I don't have to sell a triplex with rental units and try to rent them with about, from what I hear, triple taxes, about $18,000. Because the basis of thinking on the thing was that it was an income house and it was taxed way back when, in former years, when having an income house was a benefit; you did have an income.

The Chair: Mrs Kessler, I want to thank you very much for coming before the committee. Despite the fact that you said at the beginning that because of the time of notice it would be difficult to get your remarks together, I think you've made your case quite clearly. Thank you again for coming.

MICHAEL CLARKE
HENRY FEITH

The Chair: I'd just like to remind members that we have three witnesses to come as the clock strikes five. First of all, Mr Henry Feith and Michael Clarke, if you would please come forward, gentlemen, and then Ms Danielle Mascall and, last but not least, Mr Bernard Tsui. Please go ahead.

Mr Michael Clarke: We come before this committee—

Mr Henry Feith: I think we have to identify ourselves.

Mr Clarke: I'm sorry. Excuse me. This is Mr Henry Feith, a property owner in Rosedale. My name is Michael Clarke, the same. We come before this committee today essentially as home owners. We don't have a particular political agenda. We don't want to have any agenda other than as individual home owners.

We did want to get some points down on record in front of this committee, and that's really why we're here today. Obviously we wouldn't be here if we were not opposed to the scheme that's been proposed, the MVA scheme. Essentially we're opposed to it for the following reasons.

(1) First of all, of course, is the onerous choice of a base year of 1988, a year in which it was widely recognized that speculation and property flipping had escalated property values, especially those downtown, far beyond their current market value, and it's just completely unfair. It sets the value for all property at far too high a level. We have a couple of suggestions in that regard.

1700

Mr Feith: Maybe you should wait until he signs his cards.

Mr Clarke: Are you signing your Christmas cards?

Mr Perruzza: Yes.

Mr Feith: You're not listening, are you?

Mr Perruzza: Absolutely, every word.

Mr Feith: Interesting.

Mr Clarke: Very interesting.

We could try basing the assessment of market value on actual value in the current year and change the rates annually—computers can do that—or we could base the taxation on the last actual selling price of the house. Anything else than choosing a base year of 1988. We feel that's very inappropriate.

(2) The infrastructure that is a major constituent of our taxation load has been paid for long ago in Toronto by historical years of taxation. Our tax dollars are now paying for infrastructure way out in the burbs, and this too is simply unfair, in our view. Let the suburbs pay for the construction of their own infrastructures by setting their own rates appropriately. The days when Metro was required to support that construction, we feel, were over long ago.

(3) Taxation impact on individual home owners is one thing, and obviously that's a major concern, but there's another problem, an associated one; it's really a social problem. All the shops and other retail amenities, the commercial infrastructure, would be placed under a burdensome tax load under the current proposal. Again, that's got nothing at all to do with the supporting services those people use. It reflects other financial loadings, such as this infrastructure construction in the suburbs.

Many of these people in these commercial-retail businesses are on the border line now because of the recession, and any significant tax increase will destroy their businesses and cause major vacancy increases in commercial retail areas. That's the kiss of death, of course, for the remaining merchandisers. This is obviously and patently wrong, and it's going to change the face of our downtown environment by eliminating the small pockets of retail-commercial infrastructure that we depend on. It's going to change the core into something more resembling what you see in many large American cities, and I don't think Toronto wants that. I don't think anyone in Metro wants that, either.

This is critical, because the commercial side really anchors the residential neighbourhoods such as our own. If we're going to be forced to travel farther afield to buy our household goods every week, our costs will go up, pollution will go up and our own neighbourhoods will start to deteriorate as the retail-commercial component dies.

(4) This is associated with point 3 above. We're worried that as these shops and commercial institutions are forced out, jobs will be lost, jobs that could well be taken by people who live in the suburbs. Take the case of a sales clerk working at a downtown store but living in Scarborough. Although this person might be a short-term winner in gaining a property tax reduction or the advantage of same through a rental rate reduction, whatever, or stabilization, under the proposed MVA scheme, if the person loses his or her job as a result of the downtown deterioration, he or she becomes a long-term loser.

(5) We have both checked with our neighbours what the approximate taxation we would pay under this current scheme would be. Effectively, in my particular case, it's almost doubled; in Mr Feith's case, it's more than doubled; in my next-door neighbour's case, on the other side, it's almost doubled. This proposed scheme will impose irreparable damage on the value of our homes as a result of this by making them far less attractive to a purchaser, if we can sell them at all under these circumstances. Simply delaying the application of the scheme, as is being proposed with this 5% plus 5% implementation plan, is not enough. This proposal itself must be abolished in its current form.

(6) This has to do with rushing into this thing. The Fair Tax Commission is close to tabling its final report. At the same time, no extensive economic impact studies of the proposed MVA implementation have been done to date. Why are we rushing into this now? We feel that more study is required before an accurate assessment on the proposal can be achieved. We're rushing into this thing too fast, without really knowing what the actual economic impact of this is, and it has social impact too. It takes studies to find out these things.

(7) I think you've heard this one just from the previous presenter. The downtown area contains many people who are retired and/or are on fixed incomes. The economic impact of the proposed scheme on these people would be devastating, just as the destruction of their neighbourhoods that the proposed scheme would bring about would socially devastate them.

(8) As to the 5% plus 5% implementation plan—residential only, of course—there is no provision in Bill 94 to prevent Metro from putting the entire provisions of the proposed scheme in effect at their own will or as their particular needs may arise, needs which are in themselves highly suspect. The proposed implementation is far too open, too flexible, with no real controls. Five plus five doesn't do it.

(9) That 5% plus 5% also penalizes those people who are or wish to be mobile, who want to move. This constitutes a wealth or mobility tax. God knows, we already have enough of those in place today. It also penalizes older people who want to realize the value of their residences when they sell to pay for their retirement. The current proposal forces these people to become prisoners of their own homes by virtually reducing their mobility.

(10) There is a recognized need for a new taxation scheme. Property tax reform by itself is probably not a bad idea. There are obvious inequities in the current implementation and these should of course be addressed, but they must be addressed without sudden financial or social impact on any particular group.

(11) We fully endorse the concept of Toronto dropping out of Metro, as our own mayor has suggested. It's a desperation move, but the original purpose of Metro is largely over and done with now and has been so for quite some time. It's almost as if we don't know how to stop it, having started it. We feel that the suburbs should start paying their own way, both for schools and for infrastructure, because they are now established to the point that they can carry this load. Something must be done to prevent the suburbs

from being able to gang up on Toronto in the way they have on this current issue, and the best way to do this is to let each municipality or borough go its own way by abolishing the concept of Metro.

(12) Houses across Metro should be taxed at the same rate per square foot of house and also at the same rate per square foot of property: lot size for lot size, house size for house size, with no exceptions.

(13) Thanks to the city of Toronto for advertising this opportunity to submit our views opposing this current scheme to this committee. Thank you.

The Chair: Thank you very much for your submission. We have a number of questions.

Mr Frankford: As a Scarborough member, I would like to muse a bit on your suggestion about getting rid of Metro. With respect, we've had Metro since 1953. I guess there's a fundamental question there: Is it a failure? Are we not all better off having it? To go from that, what would the implications be? I respectfully assume that your suggestion here is thought out and not just an emotional reaction. What would we expect in Scarborough, a city of 500,000, if this went through?

Mr Clarke: I don't know what you could expect, but let me start off with the first part of your question, which basically related to the viability of getting rid of Metro in the first place. I believe Metro has outlived its usefulness. It was useful; there's no question it was useful. It established what happened in Toronto and the outlying areas, and I think it was very effective in doing that. I think it's outlived its usefulness. I think we simply don't know how to get rid of it in any fair and equitable way; I'm not sure how to get rid of it myself. But when I see the results of it, with this type of proposal, I think it's time to consider getting rid of it.

I can't really tell you what Scarborough could expect under such a scheme, but Scarborough's a big boy now and can stand on its own two feet, I'm sure.

Mr Frankford: The conventional wisdom really was that people lived in the suburbs and worked downtown. I think we've been seeing that, only more so. Think of the GTA: Metro itself might well think that people live in Durham and work in the GTA.

Mr Perruzza: That would bring Woodbridge in and then equalize across Woodbridge too. That'd be good.

1710

Ms Poole: Thank you for the brief you have submitted today. In a very articulate way, you have outlined a number of the concerns that people in the city of Toronto have with this plan. As a city of Toronto member, I will avoid the temptation of talking about the subsidization issue. Instead, I will ask you about item 12, which is the unit assessment proposal endorsed by both the city of Toronto and the city of North York, which has never actually been studied. It just was dismissed out of hand by Metro.

One of the things we are told is that people in the city of Toronto are opposed to any type of reform. No matter how many times we say, "We believe there's a need for property tax reform and to redress the inequities," I think people still don't believe it. Am I right in assuming that if we went to a unit assessment, which is based on the size of the lot and the size of the building, that your taxes on Crescent Road would probably go up?

Mr Clarke: I don't know what effect it would have, I really don't. They could well go up.

Ms Poole: I don't know your specific houses, but that area generally has larger houses and larger lots than the 14-, 15- and 20-foot lots we've been hearing about at these hearings from people living in the rest of the city of Toronto. Let me put it this way: If your taxes went up because we went to unit assessment, could you accept that?

Mr Clarke: I could, absolutely. I believe Mr Feith is indicating that he could too. It's a matter of fairness. Let's apply the same restrictions to everyone. Sure, you get smaller houses, larger houses, worth more, worth less. Of course you're going to find that. Everybody buys a house that's roughly according to what he have in the way of income etc, and that's to be expected.

Mr Feith: You also have larger properties in Scarborough. There may be a smaller house but a larger property.

Mr Clarke: All of those things come into effect. I think the underlying reason for many people being upset, ourselves included, is the business of not applying a fair and equitable standard throughout. If taxes were to go up because of a fair implementation of a property tax reform, who could argue with that? Who could possibly argue with that, because everyone would be on the same square footing.

Ms Poole: And that's all you're asking for.

Mr Clarke: I'm not asking for special treatment for downtown, although it may well deserve it. I'm not asking for anything special, other than fairness.

The Chair: I want to thank you both for coming before the committee this afternoon. We appreciate it.

DANIELLE MASCALL

The Chair: We have two witnesses left. Ms Danielle Mascall, would you be good enough to come forward and take a seat. We welcome you to the committee and appreciate your taking the time to come down and make your presentation.

Ms Danielle Mascall: Unlike many people here, I didn't have that much time to prepare a speech because I didn't realize that I would be talking here. I received a call quite late last night, so it was short notice.

My name is Danielle Mascall. I am 15 years old and I attend St Joseph's College School, which is just across the road from here. I feel very strongly about this issue and was given the opportunity to speak at the Metro Hall deputation on October 15. As I will be one of the future citizens of this city, it is my duty to speak up again to plead for the delay, to stop the tax increase resulting from market value assessment.

I know we all have to pay our fair share of taxes. During the recession years, with the decline in business and employment, it is a most inappropriate time to increase taxes. After strong opposition by citizens, especially in the city of Toronto, MVA has been modified by Metro

council. But this compromise does not go far enough and is still unfair, particularly with the deepened recession. Small businesses are finding it hard to keep their businesses going, and some have to close up altogether. Even big businesses are on the edge of bankruptcy. More stores are being boarded up every day, and I see these stores on my way to school.

Toronto has one of the highest office vacancy rates, and building maintenance is getting worse all the time. There are more and more vacant, eyesore lots where a few years ago there would have been buildings and they would have been booming.

I've heard that a few of the large hotels in downtown Toronto are also close to receivership and that CN may be closing its downtown operations. Where is it all going to stop? How depressing for my generation to see this great city going downhill and feeling our world is deteriorating around us. I cannot speak for the business sector, but there is an old saying: Don't overtax the ones who have; otherwise there will be no one to help the ones who don't have.

The city core provides a majority portion of jobs and the New Democratic Party professes that its goal is for people's welfare. But how can this be so if they support an unfair tax system that takes away people's livelihood? Many of these city jobs are also for the people who come in from the suburbs. What about the young people coming out of school who want jobs? Does this situation give us any hope for those who will be the future taxpayers? Don't let us lose faith in the government.

People expect the elected government to work on our behalf. Metro would get more money from increasing taxes temporarily, but if businesses cannot pay and have to close, then this would seem like a broken merry-go-round. The provincial deficit is bad enough without increasing the welfare payment. The people living in the suburbs may have some short-term benefit from tax decrease, but this is short-sighted and their politicians are doing them an injustice. For in their greed for voters, they are not explaining the long-term disadvantages of the unfair MVA program. Where will they be when their constituents find that they have been laid off from their downtown Toronto job because the business couldn't pay its taxes and closed up? Who will then pay their suburban taxes?

People move to the suburbs by choice of lower house prices, larger lots and clearer air. For whatever other reason, they did so with their eyes open, knowing that for all the new services the taxes would be higher. They should not expect to have a bonus tax cut at the expense of older people and Toronto homes and businesses that have paid their fair share of tax already. They are only sacrificing their own opportunities of benefits from being close to a large city.

There is a ripple effect that affects all areas, including suburbs, when the city dies. The local politicians know this and should explain, not simply go along with what seems like political gain. What will happen to those people who moved to Toronto when they were young and are now old and finding it hard to keep up with their houses? They are finding it very difficult to sell, because the buyers are scared of paying 300% to 400% in an increase in taxes.

MVA is hard on the housing market. We need a boom, not a bust. History tells us that people have always revolted against taxes, from Robin Hood to the Boston Tea Party and our own William Lyon Mackenzie rebellion. Now there is talk that the people in the city of Toronto will rebel against the Metro government. Is it really necessary? I think it is if we are to grow as a successful metropolitan community. The present course is suicide for Metro.

1720

I read the brochure from Councillor Bossons that Toronto wants out of the perverted Metro system and that even the suburban majority shows a clear dislike for the original goal of partnership. I was born and raised in the city of Toronto, and it has been a joy for me to see it grow on its way to becoming a world-class city. I see it now stalled in its destiny. I've been fortunate to visit London, Paris, New York and Hong Kong, and my mother has always told me, "Danielle, by the time you grow up, Toronto will be just as big as these world-class cities." We lost our chance to host the Olympics, and many of the big trade expos have passed us by for the lack of facilities and small-time political wrangling. We obviously need to attract new investment, but the present MVA program will do nothing for this growth. No other city in Metro Toronto will benefit if Toronto becomes a ghost town. When the heart stops, the rest of the body dies.

Ladies and gentlemen, please think of tomorrow and us, the younger generation, as your insurance policy, as the taxpayers of the future. But we must be given the opportunity. The fight for MVA will go on, and please remember, it's not over till it's over. I thank you for allowing me this time to speak.

The Chair: Thank you, Danielle, for coming down. We have a number of questions, if you'd be good enough to stay with us. We'll begin with Mr Turnbull.

Mr Turnbull: Danielle, I want to congratulate you on an excellent presentation.

Ms Mascall: Thank you.

Mr Turnbull: I think it's most important that we don't pile up debts and we don't destroy our cities for our young people. There's a lot of hope for the future when there's people like you who are prepared to get involved at your age; and stay involved, please. We need you.

I don't know if you're aware of the problems the Metropolitan Separate School Board is having and the actual reduction of taxes it's going to have as a result of the MVA. Are you aware of that?

Ms Mascall: No, I'm not.

Mr Turnbull: Okay, I won't ask you a question on that then, but it is a fact that they're actually going to get a reduction.

Ms Mascall: The thing is, though, I won't be staying in school for all my life, but I know people will have stores and property in the city, and those taxes will go up more than—I'm not concerned majorly about the school board. I'm more concerned about the property within the city.

Mr Turnbull: A great deal of people will be driven out of their homes because they won't be able to afford

these taxes. It's been suggested that this is not MVA. It certainly is MVA. There are some classes of property that actually will not get any capping under this scheme, and if anybody sells their home, the capping goes. It will depress values in neighbourhoods because people will discount the value of the house according to the increase in taxes.

I just want to thank you for a super presentation. Your parents can be extremely proud of you.

The Chair: I've got Mr Perruzza and Ms Poole.

Mr Perruzza: First off, a comment and then a short question. That was an excellent presentation, and it's not often you see people your age come out and take an interest in these kinds of issues. They're rather dry.

Just with the separate school comment, I had an opportunity last night to meet just very briefly with the chairman of the separate school board. In fact, although the brief that was submitted yesterday by the individual who made representation to us—and, by the way, it was confirmed by the chairman of the board last night to me that he was here exclusively as a trustee and not in any official way as a member of the board—indicated that under full market value they in fact would lose roughly $1.4 million, I believe; with the 40%, obviously that would come down substantially. I also proceeded to point out to the chairman that while Metro now loses close to $60 million a year in property tax appeal, if those property tax appeals were to come down, the separate school board in fact would gain under market value and not lose. I just wanted to clear that up very briefly.

A very short question: Danielle, if you lived, say, in Downsview, at Keele and Wilson, and somebody was to demonstrate to you that under our current system, under our current market value system—and that's what we have today—you were paying, say, $1,000 more a year in property taxes than what you should be paying, how would you feel about that? Would you feel that was a good thing for a government to have you do, pay more than your share?

Ms Mascall: No, I wouldn't feel it's a good thing.

Mr Perruzza: So you'd want to seek to pay your fair amount, right? You'd want it rolled back by $1,000, right?

Ms Mascall: Yes.

Mr Perruzza: Well, we're not going to be rolling it back $1,000, hypothetically. We're only going to be rolling it back $100. It's not full fairness, but it goes part of the way.

Ms Poole: Danielle, thank you for coming down to present to us today. I made a comment earlier about the calibre of the presentations, but I must say yours has been truly outstanding. If you're a sample representative of the young people of today, then I think we are in good hands. You've been intelligent, articulate and thoughtful.

You made one comment in your brief about the impact on business and when you walk down Yonge Street and see them closed. Perhaps it would be in answer to Mr Perruzza, who talked about the people in different parts of Metro who feel they deserve a tax decrease. Perhaps one answer to him might be that if we're going to have property tax reform, it shouldn't be at the devastation of the city of Toronto and our downtown core. I'd just like to repeat what you said, "When the heart stops, the rest of the body dies." Thank you very much.

Ms Mascall: You're welcome, thank you.

The Chair: Danielle, thank you again for coming before the committee this afternoon.

BERNARD TSUI

The Chair: I'll now call our last witness for today, Mr Bernard Tsui, if I've pronounced that correctly. Welcome. Good of you to be with us at the end of a Saturday, but we're interested in your presentation. Please identify yourself for the purposes of Hansard and then go ahead with your presentation.

Mr Bernard Tsui: Thank you, sir. It's my pleasure to be here. I am a property owner and I represent a few other property owners, too. I have no political alliance with any party at all. I would like to mention, in October I wrote to about 20 Metro councillors who were supporting the MVA and only three of them replied to my message. Even these three councillors, they replied to my message only out of courtesy. They don't even answer my questions or show any concern of my issues. I was very disappointed at those Metro councillors, since I spent about a week to prepare my message and I throw my guts out, and that is all I got from them. But judging from what I've seen just now, I have high hopes on this committee that they would consider my message and our fellow citizens' messages more responsibly.

I oppose MVA for the fact that evaluating market values is very expensive and yet highly submissive to errors, omissions, and even frauds. Say, an erroneous, overly high-valued assessment would be brought to attention through an appeal procedure, and people know about it, whereas a fraudulent, under-valued assessment which brings about unfair low taxation would be carried through unnoticed because nobody brought it up.

However, we may use property square footage and gross floor areas in place of market value for the assessment value. The facts are: square footage does not change with time; even laymen can check and calculate square footage; evaluating square footage costs much less than appraisals, saving taxpayers millions of dollars, and I'm not exaggerating dollar amounts. I just employed an appraiser to appraise one property. He charged me $3,500. Why, if I can only use the square footage for the same purpose, it would only cost me $35.

The second main reason I am opposed to market value assessment is for the fact that it bears no relationship to how the tax dollar is spent. It therefore cannot generate a fair and equitable system over the current system.

To tie a relationship between the distribution of the tax dollar and property tax payment, I propose that there should be weight factors on various political ridings who may have differential interests. These weight factors vary in magnitude and in direct relationship with the distribution of the tax dollar. Say, ridings that have smaller expenditure on the tax dollar should have smaller weight factors. Ridings that have higher expenditure on the tax dollar should have higher weight factors. Naturally, one pays on what one spends and this is fair, isn't it?

For those who believe that commercial property owners should pay a little bit more tax than residential owners, it is only fair that that little more tax should be distributed to the residential in the same ridings. Other ridings have their own commercial to rely on.

I propose:

(a) Employ square footage as the basis for assessment values. The square footage would be the cost and quality control factor of a new tax system.

(b) Employ weight factors on various ridings to calculate the realty tax actual payments. The weight factors would be the key to a fairer system, due to the fact that the weight factors would be designed to reflect the character of the riding's tax dollar expenditure.

1730

Mr Turnbull: Your opening comments suggest that you hope this committee would see the light. I would certainly have had that hope, but the Toronto Star quoted one of the NDP members who was sitting on this committee last week as warning "it would set a 'dangerous precedent' if the province tinkered with Metro's tax plan, he said the Rae government was bullied into holding the public hearings." I can tell you that the Conservative Party was the one that bullied them into holding these hearings, and I'm pleased we did.

It's appropriate that there be scrutiny of this. The majority of both the Liberals and the Conservatives voted against this bill on second reading. We very clearly said, "This is a very bad plan." Notwithstanding that we've got the hearings that we bullied them into, now we have a member of the NDP caucus, somebody who sits on this committee—he's not here today—prejudging the hearings, which just shows what a waste of money government is if it's not listening to the people. It just becomes a sham.

How patently unfair that several cabinet members of the NDP government who are inner-city members voted with the government—all of the government voted in favour of this plan—even though those people had campaigned in the last election as being against market value assessment. There's the first problem I have.

While I understand your frustration and I agree with the general thrust you have, I don't agree with you on weighting by provincial riding according to the costs they have. I'll tell you, there are some poor ridings where there is a need for more social services, so there's more money spent there. It would set a very dangerous precedent if we were to burden them with more taxes because there are more services used. The Progressive Conservative Party would not be in favour of that kind of move.

Mr Tsui: May I elaborate on my point? Since we have the weight factor in place, it would be up to management of the committee or councillors to put values on it. For those ridings that need more money, a weight factor is designed to do such a thing. Then it would come into the hands of the management of Metro council. Weight factors can be adjusted on an annual basis depending on the needs and expenditures. There's always a balance there. This is the expertise of the Metro council that it should display in these issues.

Mr Turnbull: There's a dangerous precedent there. I think we should be looking at a system which is more responsive and more reflective of cost of services, but it is important that we should not design a system which attempts to be an income tax system or something which will tax people more heavily for the particular social reason that a riding needs more services, things like community centres, which can actually lead to lower crime rates.

I'm sympathetic to what you're saying, but I think we could more appropriately move the burden on to provincial income tax for an element, part of the education cost, which would be more appropriate, and in that way it would reflect people's ability to pay.

Mr Tsui: Actually, I bring that out to answer some of the supporters of MVA that they are paying for other persons, that they're paying more money than they should. If we deal with those issues, how the tax dollar is spent, then they would know who is spending the money and who is paying it.

Mr Turnbull: Just let me explain. I represent a very wealthy riding, much scorned by the NDP; they're very jealous. If we were to adopt your system, it would end up with my riding paying very little because it doesn't consume many services like community centres and things like that, and I think that would be unfair.

Representing a wealthy riding, I am saying that it is appropriate that we have this on the ability to pay and that we should reflect it. But recognizing that not all of the people in my riding have the ability to pay, it gets down to ability to pay. That's why I'm saying we must design a better system. I think the unit assessment system would be better. It would be much more fair.

The Chair: Mr Tsui, I'll give you the last word and then I'm afraid we're going to have to close off the hearings this afternoon.

Mr Tsui: Furthermore, I read from a reply of one of the Metro councillors that about 80% of municipalities in Ontario are already employing MVA. I hope this committee will not use that as a reason to employ the MVA, just to copy what other municipalities are doing. We have our own peculiar material facts, we have our own particular situation. We have to get to the root of the problem and not just be copycats.

The Chair: Again, thank you for coming out this afternoon.

Just before adjourning, I note for members of the committee that tomorrow our session will be from 1 o'clock until 5 o'clock, but we will be back in room 151 in the Legislative Building. There may be the odd children's story lurking around there, but I'm told that most of the kids have left by now. They seem to have had a good day over there. We'll conclude our proceedings today and reconvene tomorrow at 1 o'clock in room 151.

The committee adjourned at 1740.

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Wilson, Gary (Kingston and The Islands/Kingston et Les Îles ND)
Wilson, Jim (Simcoe West/-Ouest PC)
Witmer, Elizabeth (Waterloo North/-Nord PC)

*In attendance / présents

__Substitutions present / Membres remplaçants présents:__
Cooke, David S. (Windsor-Riverside ND) for Mr Martin
Frankford, Robert (Scarborough East/-Est ND) for Mr Gary Wilson
Kwinter, Monte (Wilson Heights L) for Mr Beer
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Sunday 6 December 1992

Standing committee on social development

Metropolitan Toronto Reassessment Statute Law Amendment Act, 1992

Chair: Charles Beer
Clerk: Douglas Arnott

Assemblée législative de l'Ontario

Deuxième session, 35e législature

Journal des débats (Hansard)

Dimanche 6 décembre 1992

Comité permanent des affaires sociales

Loi de 1992 modifiant des lois en ce qui concerne les nouvelles évaluations de la communauté urbaine de Toronto

Président : Charles Beer
Greffier : Douglas Arnott

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LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON SOCIAL DEVELOPMENT

Sunday 6 December 1992

The committee met at 1305 in room 151.

METROPOLITAN TORONTO REASSESSMENT
STATUTE LAW AMENDMENT ACT, 1992

LOI DE 1992 MODIFIANT DES LOIS
EN CE QUI CONCERNE
LES NOUVELLES ÉVALUATIONS
DE LA COMMUNAUTÉ URBAINE DE TORONTO

Consideration of Bill 94, An Act to amend certain Acts to implement the interim reassessment plan of Metropolitan Toronto on a property class by property class basis and to permit all municipalities to provide for the pass through to tenants of tax decreases resulting from reassessment and to make incidental amendments related to financing in The Municipality of Metropolitan Toronto / Loi modifiant certaines lois afin de mettre en oeuvre le programme provisoire de nouvelles évaluations de la communauté urbaine de Toronto à partir de chaque catégorie de biens, de permettre à toutes les municipalités de prévoir que les locataires profitent des réductions d'impôt occasionnées par les nouvelles évaluations et d'apporter des modifications corrélatives reliées au financement dans la municipalité de la communauté urbaine de Toronto.

BEV SALMON

The Chair (Mr Charles Beer): Good afternoon, ladies and gentlemen. I'd like to call this session of the standing committee on social development to order. It is Sunday, December 6, and we're gathered to discuss Bill 94, the Metropolitan Toronto Reassessment Statute Law Amendment Act, 1992.

Our first witness this afternoon is Metro Councillor Bev Salmon. I'd like to welcome you to the committee, Ms Salmon. Please come forward. Help yourself to the water. Perhaps we could just move that out of right in front of you. That way we'll be able, as they say, to have better eye contact. We thank you very much for coming on Sunday afternoon. While we're a few minutes late starting, we'll have full time for everybody. We have a copy of your brief. Please go ahead when you're ready.

Ms Bev Salmon: I appreciate the committee meeting on this important topic on the weekend. I think it shows just how critical this is, not just to Metro Toronto, but to the province as a whole. I represent North York Centre South. That ward is virtually south of Highway 401 to the Toronto city limits, which in places is Eglinton, and in others Lawrence Avenue. On the east it's Leslie Street and on the west it's Bathurst Street, but a significant portion also goes as far west as the Allen expressway.

My ward has about 64,000 constituents who are well aware of the issue. I circulated my newsletter, which is attached, to every household and business in my ward. Approximately 40% of them are entitled, under Metro's scheme, to decreases. However, I've had only a handful of people call to say that they disagree with my position. I'm strongly opposed. I've had hundreds of phone calls in strong support of my position.

I've been opposed to market value assessment for many years. I was a part of North York's task force that studied all types of known property methods of taxation during 1987-88. We studied market value assessment, unit value assessment, poll tax, income tax and Peterborough's site value assessment proposal. We concluded that a unit value assessment system based on square footage seemed to be the fairest. We asked the province to study that proposal. At the same time the city of Toronto had a committee that met independently, and it came to the same conclusion ours did. These were significant studies. Again, we're awaiting the impact study and hope the Fair Tax Commission will be doing in-depth studies on unit value assessment. I understand they already have done an initial study comparing market value and unit value as they pertain to householders' incomes.

The first part of my brief deals with the flaws in the process that Metro undertook. I think everyone agrees that the present system is not fair, but when Metro had its lengthy debates during 1989, the entire debate was based on using 1984 as the base year. It was the provincial government that suggested 1988 be used, and that was virtually rubber-stamped by Metro with very little information and certainly with no studies.

Metro's plan throughout has been hastily contrived. It's been proceeded with lacking any economic impact studies. If your government is hesitant in any way in commenting or doing anything other than rubber-stamping, I say the precedent was set when the previous government said to Metro, "You can't use 1984; you must go to 1988." That did make a significant impact.

At the time of first discussing this, I certainly voted against the interim plan. It was clear to me that those who were proponents of the plan were only looking at whether their own ward was having increases or decreases and that was only looking at the impact on the residential sector. There was no thought or consideration given to the severe impact on the commercial and industrial sector.

I'd like to dispel the myth that this is only a city of Toronto issue. The impacts for North York are very serious. Under Metro's present plan, there are over 2,799 businesses throughout North York that will have increases of over 100%. These are right across North York, in every single ward.

I'd also like to say that during the debate this past fall, we were given incorrect information about what the "other" category contained. We were told, as you will see in the report, that it was just railway lands, vacant lots and pipelines. However, I've included in my brief three pages of properties in North York that are in the "other" category.

I'll just read a few of them for you: the Jewish Family and Child Service of Metropolitan Toronto on Bathurst Street is

going up 151%; North York Christian School on Drewry is going up 177%; the Black Creek Community Health Centre on Jane is going up over 300%; the Italian immigration centre on Lawrence Avenue is going up 44%; Loretto Abbey is going up 33%; City Centre Child Care in North York will be going up 1,866%; Goodwill Industries is going up 377%; the Juvenile Diabetes Foundation, Kids Say No Drugs Organization, Epilepsy Ontario—these are all on this list. I can assure you this list is clearly not railway lands, vacant lots etc, as we were initially told.

As the commercial portion of the tax pie decreases—because make no mistake about it, there will definitely be loss of jobs and businesses that in spite of the capping can simply not hang on; too many of them are borderline—the residential section is going to have to expand to pick it up. Many of the taxpayers who today are thinking they will be getting decreases will find those decreases disappear, either through subsequent reassessments or through the fact that they're going to have to pay more for their goods and services.

I'd also like to point out that although 70% of the residents in both East York and the city of York were getting decreases under the 1984 assessment, when we went to the 1988 assessment, those decreases became increases. In the case of East York alone, 63% of those same residents will now be getting increases.

Metro is merely tinkering with the present situation. They're not bringing equity to the system through this plan. If you look at the table which is also presented in the brief, and it's at the back of my newsletter, the table shows what the current taxes are. The current taxes, in the first column, are just all over the map. People with $200,000 market values in some instances are paying more than people with $300,000. We know that's inequitable. This is within North York; this is not across Metro. The proposed taxes under pure market value admittedly would correct some of them, if you are a believer in market value assessment, which I'm not.

However, in the column where it says "Total 1993 Taxes Due To MVR," you'll see that it's not correcting the inequities. All it's doing is adjusting the present taxes, which everyone knows are inequitable, and just applying either the decrease or the increase due to Metro's plan, but not correcting. You still see people with $200,000 households within North York paying, in some instances, more than people with homes valued at $250,000. You have people with homes valued at $600,000 who will still be paying $2,000 more than people with homes valued at $700,000. It's just all over. It's clearly not correcting the situation. When you go to 1994 taxes, it again continues these same inequities.

We're looking at a plan put forward by Metro that is not going to correct the inequities and is going to create chaos for the business sector, which you've heard from, the arts and the non-profit groups. Why should the province look favourably on this, on a system that is counter to NDP policy, that is going to permit the large anchor stores in the shopping centres—Yorkdale is a prime example. Yorkdale has a large anchor store that will be paying $18,000 in taxes. It's getting just a tremendous decrease, while the little business tenants are having huge increases. Where is the equity? There simply is no equity in this situation.

It is a provincial responsibility to do something about what Metro has put forward. It shouldn't just be a matter of housekeeping for the province. It's a matter of responsibility. The province really must demonstrate some foresight and accept responsibility for the decision you're now facing.

If your view is, "The large majority of municipalities within the province are on MVA, so what's wrong with Metro?," I'll say there is a lot different. Do you know of any jurisdiction in the province of Ontario that is now on MVA that has come forward and asked for an update based on 1988 assessments? I know of none. If you know of one, please inform me.

I would also like to say that the region of Halton just this past Wednesday has rejected market value assessment, and as you know, Hamilton rejected market value assessment. Although Oakville is on it, I believe they're based on 1980 values and certainly are not coming forward asking to be updated on 1988, the very peak of the real estate market. Yet what Metro is going to be doing will be putting new homes, new businesses, the railway lands and part of that "other" category and any resales of homes squarely on the road to full market value. They will be on market value right up front.

This not only skews the system for future reassessments, but it's against your own policy. It's what Metro won't do today. They will not go for full market value assessment today, in spite of the fact that many of the proponents believe it's there and equitable. I do not. They're afraid to do it today, but they're getting it in through the back door for these other major categories of properties.

These past few days I have been in Windsor at the Federation of Canadian Municipalities board of directors meeting, and I asked the clerk if he would circulate two important documents that came out of that meeting. The Ontario caucus had a deputation from the railways. This was pre-scheduled. It had nothing to do with Metro's market value assessment scheme. However, the railways, as you have heard in this past week, are going to be severely impacted. Also, GO Transit is going to be severely impacted and is going to have to increase the fares. The railways are going to have to lay off workers and also increase fares.

Now, we had a discussion about the way the railways are assessed and the copy of the motion that was passed yesterday by the Ontario caucus—I will just read it out:

"The Ontario caucus of FCM requests that AMO"—that's the Association of Municipalities of Ontario—"raise in their December 11 consultation meeting with the Ontario Treasurer the concerns of FCM's Ontario caucus regarding the application of the Assessment Act as it relates to assessment and/or payment in lieu of railway lands and rights of way to ensure a fair and equitable treatment of railway lands according to their use or non-use as active railway rights of way."

1320

There was a lot of concern expressed in the Ontario caucus. Both Chairman Tonks and I were present and participated in those discussions. This motion was passed unanimously by the Ontario caucus on Friday and it was endorsed by the FCM board yesterday morning.

FCM also last Friday had a press conference and issued the communiqué that is before you. Their concern about the economic statement issued by Mr Mazankowski—and they

are saying it's bad news for home owners, that home owners will be hard hit by the budget that's being put forward and Mr Mazankowski's statement. The president of FCM, Margaret Delisle, stated that this is completely unacceptable.

The federal government has said it will not pay its fair share for municipal services. Local governments will be forced to transfer these costs direct to the average home owner. I think this is very significant that apart from the fact that Metro, in the depth of a recession, is going to put a serious burden on its taxpayers, we have on top of that the impact of the downloading from the federal government.

A lot of taxpayers may be of the impression that if what they were told by Metro—some of the home owners were told for three years that Metro would not be increasing the taxes to the residential sector. Obviously, Metro has reneged on that promise. The businesses were told they would be given tax credits to ease the burden of Metro's plan. Those tax credits magically disappeared during the final debate and this was not pointed out to the deputants, to the hundreds of people who came to Metro to express concern about their plan.

Mr Chair, I'm sorry. I've probably run over on my time. I apologize.

The Chair: There may be some who want to ask questions. I want to allow a little bit if I can. The parliamentary assistant wanted to make one point and I'll begin with him.

Mr Gordon Mills (Durham East): Thank you, Ms Salmon. I just want to refer to page 4 of your brief, the last paragraph, "When information was provided" etc and then overleaf about vacant lands and "other" classes. Our legislation ensures that non-profit groups and the arts are not in the "other" category but are in the appropriate residential-commercial capped categories. I just want to make that clear.

Ms Salmon: Yes, I quite understand that.

Mr Mills: Okay.

Ms Salmon: However, even with the capping, many of these organizations are borderline right now. They come to us and to you for grants. So which level of government is going to increase grants to these organizations in order that they can meet their tax commitment?

Mr Mills: Thank you very much. I hear what you're saying.

The Chair: If I can just ask the cooperation of members, because of time, if we could just keep it to one question. I'll begin with Mr Turnbull, Ms Poole and Mr Mammoliti.

Mr David Turnbull (York Mills): Bev, thank you very much. I will just start out by saying that you and I have been fighting MVA together for an awful lot of years.

Just to encapsulate quickly what has transpired in these hearings while you've been away, the government caucus have constantly answered to all of the delegations we've had here that they recognize that market value reassessment is unfair, but they think it's less unfair than the existing system. That is their defence of this. Yet we know that the tax bills that are going to be sent out to all of the taxpayers, including the people who are having reductions, will show the full MVA reduction and then they will put the clawback.

It would seem to me that there's a great possibility that, one, some of the people who get that kind of tax bill are going to be clamouring for tax reductions for the full MVA, which the NDP claim this is not, even though there are uncapped categories which are getting full MVA; second, there is very real danger when people see those bills that they're going to only pay the amount which is shown as the full deduction and refuse to pay that. Could you comment on that, please?

Ms Salmon: You've raised a few points. First, for those who say the present system is unfair, I won't argue against that. I agree. But what they're advocating is market value assessment, which is the same system. All they're advocating is reshuffling the debt, but they're not advocating going and bringing the full impact and they know how devastating that would be to Metro Toronto.

It is true that the proponents also feel there needs to be change. Nobody disagrees with that. But we know that the full impact will come in at time of sale unless the government does something about that, that that will be. Their market value assessment will still remain. That's what they will eventually—if the property changes hands, that will devaluate their property. The increased tax will devaluate their property.

Mr Turnbull: Another question, Bev: Do you not see a very real possibility of encouraging a tax revolt by people who perceive that they should get a larger reduction and may in fact withhold and only pay the amount that they would have got under full MVA?

Ms Salmon: I'm sure this is going to happen on both sides of the issue: those who feel that they are being overtaxed and those who feel they are entitled to a full decrease, and I think it's important to keep in mind that this Metro council cannot bind a future council. In two years the whole matter can be reopened. It can become an election issue and people can run on the platform, "I'm going to get your full decrease and we'll make sure that those others get their full increase." This issue will not necessarily end or be held just for a five-year interim.

Ms Dianne Poole (Eglinton): First of all, Bev, thank you for coming down on a Sunday to make your presentation. I never thought I'd see the day that under an NDP government the common pause day would be out the window and we'd be having committees on Sunday but, as you point out, it shows how important this issue really is.

Mr Stephen Owens (Scarborough Centre): With respect, your side is the one that requested Sunday hearings, you and your buddy sitting beside you.

Ms Poole: I would like to talk to you about provincial responsibility. You have made it very clear in your brief that the provincial government does have a responsibility to ensure that this plan is fair and is not devastating to Metro. So far, the provincial government has taken quite a firm stand that this is not its problem and this is not its solution. It's very much a hands-off approach. They are saying, "This is Metro's problem, Metro's baby, Metro's legislation."

Yesterday we had a presentation from Peter Tomlinson from the city of Toronto. He very clearly showed that there has been a matter now which is definitely provincial jurisdiction.

Two of the groups affected have been Ontario Hydro and, as you pointed out, the railways. If this plan goes through, it is estimated it will cost Ontario Hydro an additional $60 million per year and the railways over $40 million per year. Unlike the rest of the Metro plan, it has ramifications that go far beyond Metro. For instance, with Ontario Hydro, people from all over Ontario would be paying for that $60-million increase. With the railways, they have said they will have to cut services across Ontario, they will be laying off thousands of jobs.

In your estimation, given this new insight on the impact on taxpayers across the province outside Metro, do you see that the provincial government can continue to claim it is not its responsibility?

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Ms Salmon: No, it's clearly their responsibility. Metro is the engine that drives this province and any adverse impact on Metro, any plan that makes it less attractive to locate businesses in Metro or that, as this plan does, will drive businesses out of Metro, is going to affect this entire province. As I said, it's not just a city of Toronto issue, which the media has made it out to be. This is a very broad issue. It impacts on every taxpayer across Metro and it is a very critical issue for the province.

I was just in Detroit. I had an opportunity to go over for two hours yesterday. I lived in Detroit in the 1960s, when Detroit had a very healthy downtown area. It used to be really a pleasure and worthwhile to try to shop, to go to the major department stores in downtown Detroit. Detroit hasn't got a single department store and has no retail in the downtown area. It has the urban rot that many have referred to that's going to happen to Toronto with this plan, and there's no doubt in my mind that the changes I saw in Detroit in the time I lived there are to now take place if this scheme goes through. This will be irreversible.

Mr George Mammoliti (Yorkview): For the record, I've got better things to do on Sundays as well, and Saturdays. It was the Liberal, Dianne Poole, and the Conservative, David Turnbull, who ranted and raved and wanted this—

The Chair: Let's just focus on the question at hand and question the minister.

Mr Mammoliti: It's important for the record.

The Chair: Thank you very much, and your question is?

Ms Poole: Yes, George, you didn't want public hearings at all.

Mr Mammoliti: That's right, I didn't want public hearings.

Interjections.

The Chair: Order, please.

Mr Mammoliti: But we can get into why I don't want public hearings at all in a second, if you give me a chance.

The Chair: Order, please. Let's focus. We've had a long week, I know, but our witnesses are here and the purpose of this meeting is to talk with the witnesses, so please go ahead.

Mr Owens: Come on, George, we have to go shopping.

Mr Mammoliti: I'm not going to go shopping in Detroit myself, but I'll shop here.

Ms Salmon, you said that, first of all, the previous government had told Metro to use the 1988 year as opposed to the 1984 year. You mentioned that earlier. I wanted to get that very clear, because we've been saying that not only had the previous government told Metro to do that, but the previous government gave the indication when it was the government that it was going to proceed with full market value assessment as well.

But I'd like to ask you a very, very specific question. I've said throughout these hearings that I don't believe it should have come to hearings. I've said throughout these hearings that it's not the provincial government's responsibility. My constituents are continually coming to me and saying: "Why do we need Metro level of government? Why don't we just abolish that level of government? The decisions they make frequently aren't for the benefit of Metro, or for the province, for that matter, and they drive a lot of the business away from Metro themselves."

If the province were to come up and make amendments and deal with the incompetent decisions Metro has made, from what we've heard, then wouldn't that set a dangerous precedent? Don't you think that there'll be more constituents, mine and yours perhaps, who will say: "What's the point in having a Metro level of government then? If they can't make any decisions and the provincial government is going to override or overturn their decisions, then what's the point in having them there?"

Ms Salmon: Mr Mammoliti, I'm sure you've realized that Metro cannot proceed with this plan without provincial government approval.

Mr Mammoliti: That's not the point here.

Ms Salmon: Metro and municipal governments are creatures of the province—

Mr Mammoliti: That's not the point here.

Ms Salmon: —and we do not have full autonomy to proceed.

Mr Mammoliti: But they're the ones who recommended it.

Ms Salmon: But you do have a responsibility. It cannot happen without your government giving Metro the enabling legislation to let this go ahead. This is not a matter of rubber-stamping.

Mr Mammoliti: This is a dangerous precedent.

Ms Salmon: People are disenchanted with all levels of government. Metro has no monopoly on making poor decisions.

Mr Mammoliti: This is a dangerous precedent.

The Chair: I think Ms Salmon has answered your question.

Ms Salmon: It's not a dangerous precedent—

Mr Mammoliti: Sure it is.

Ms Salmon: —to have a role and a responsibility, and all I'm asking is that you exercise your power and stop this insane scheme that is going to drive Metro—

Interjection.

The Chair: Ms Salmon—

Ms Salmon: Well, there's—

The Chair: Order, please, Mr Mammoliti.

Mr Mammoliti: That's something we should—

The Chair: We thank you very much for coming. I think there's simply a difference of opinion here and we would recognize it as such.

Ms Salmon: I would like to thank you. I appreciate the fact you're holding hearings. Metro held a 24-hour round robin, which was exhausting and not the way to hear such an important issue. I do appreciate the fact that you're taking the time, even though it's going over a weekend, to deal with this important issue.

The Chair: Thanks very much again for coming in today. We appreciate it.

URBAN DEVELOPMENT INSTITUTE/ONTARIO

The Chair: I call the representatives from the Urban Development Institute/Ontario, if they're with us, if they'd be good enough to come forward. We're distributing your brief. We welcome you to the committee on this cold afternoon, but in here at least it's warm. If you'd be good enough to introduce yourselves, then please go ahead.

Mr Neil McFadgen: My name is Neil McFadgen and I'm the chairman of the tax subcommittee of the commercial interest group of UDI/Ontario, and with me is Pam Macfarlane. She's the director of operations of UDI/Ontario.

The Chair: Welcome.

Mr McFadgen: Thank you. UDI/Ontario is a professional non-profit organization comprising over 200 firms of land developers, architects, city planners, investors, financial institutions, engineers, lawyers, economists, marketing and research agencies, all engaged in the development of lands in the province of Ontario.

UDI/Ontario and the Canadian Institute of Public Real Estate Companies, CIPREC, have been working together on the issue of market value assessment in Metro Toronto since April 1991 and have had throughout that period a number of discussions with a number of individuals within Metro.

In our position paper that was submitted to Metro Chairman Tonks in March 1992, we made the following points, many of which I think are still relevant today:

We recognize the need for a change in the current system and a need for fairness in whatever new system is adopted.

We believe the market value basis is the most fundamentally sound method for establishing the assessment amount and that taxes should be levied in proportion to the assessed values.

We acknowledge that because 75% of the taxes levied are related to Metro services, including education, a Metro-wide assessment policy is the most equitable.

To avoid the problems of using 1988 as a base year, we suggest 1990 would be more appropriate, and I think the previous speaker made reference to the same point.

To eliminate the harshness of implementation in the commercial sector, which at that time, under those proposals, effectively had no capping in it while the residential did: There is a huge discrepancy towards the commercial sector and many of the large buildings in the downtown core were going to be suffering increases of upwards of 50% to 60%. The new rules have changed that somewhat, but to eliminate the harshness of the implementation in the commercial sector and avoid the inequities and complexities introduced by the limitations and subsidies of the then current proposals, we recommend that a full market value assessment system be implemented in 1993, but phased in over a five-year period such that increases or decreases be limited to 20% in 1993, 40% in 1994, 60% in 1995, 80% in 1996 and 100% in 1997 and that throughout the period ownership changes would not affect assessment amounts.

Since this change in assessment practice will affect net rental rates and therefore the value of the related properties, there must be a commitment to utilize 1996 market values as the basis for taxation in 1998.

We recommend that the province mandate reassessment occur every three years commencing in 1998. In other words, what we didn't want was the same system we have today to duplicate into the future.

UDI strongly supports the concept of market value assessment, but believes its implementation should be modified such that it is phased in and applied to all classes of property on a consistent basis.

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On September 18, 1992, some of our members met with representatives of Metro Toronto and representatives of Revenue Ontario who were familiar with the 1988 impact study, which had just been released. We pointed out a number of minor inconsistencies in the plan at that time, but based on our review at that time, they were only minor concerns. At that meeting, there was no mention made of a fourth property class now referred to as the "other property class." The first time we were made aware of this class was in correspondence from Metro received on October 15, 1992.

Our concerns: We continue to be concerned that the implementation of the plan does not affect all classes in the same way. This situation is further compounded by changes to full market value on sale of property within the residential class over the five-year term of the proposal. In this respect, the current proposal is as badly flawed as the existing system.

Furthermore, because there is no phasing in of full market value assessment over five or 10 years. There is no formal structure in place to provide some suggestion that a more equitable system is ever contemplated. Why should Metro have to develop a whole new property tax system to take effect in 1997 when the current proposed scheme expires? Why not do it now? What evidence is there that the system adopted at that date will be equitable? We suggested before and repeat again that all classes should be treated the same and be phased in over a number of years in the same manner.

The other issue we're very concerned about is this addition of the "other property class."

Firstly, we believe the process of developing the proposal for market value assessment prior to the introduction of the "other property class" was fair and reasonable. However, the timing of the introduction of the fourth class, without discussion with the affected parties, was an irresponsible approach. We still do not have a list of such properties to ascertain what the effect of the change on this class would be in aggregate.

Secondly, to allow any increase in taxes arising on all other classes of properties to be capped at a maximum while not setting a cap on the other property class is totally discriminatory. I believe you heard yesterday about the effect on

companies such as CN Real Estate and the size of the tax burden that will be absorbed by that company. I think one of the other ones that you likely heard from was Marathon Realty. Again, I'm not sure their submission talked about a specific number, but the cost to those entities is just outstanding.

Thirdly, we understand that the capping provisions will extend to land parcels which are presently occupied for business purposes and subject to the payment of business taxes. However, land which is incapable of generating this type of activity on December 31, 1992, due to zoning or development restrictions, will be severely penalized by virtue of provincial or municipal regulations. A number of our members have considered trying to go out and put mini-putt courses on their vacant land just to have them subject to realty taxes to avoid this problem.

Fourthly, we understand that this fourth property class will result in vacant land paying higher taxes than property with operating businesses, notwithstanding that such land does not utilize the same municipal services those other properties enjoy.

UDI urges the Ontario government to seriously consider whether the draft legislation on MVA is both equitable and progressive, concepts we believe are fundamental to the long-term health of our great city and province.

The Chair: Thank you very much. We have time for a few questions.

Mr Turnbull: First of all, I note two particular points in your presentation. Even though you're supporting the concept of MVA, you're saying that the current proposal is as badly flawed as the existing system and you also suggest that 1990 would be a much more appropriate year.

First of all, I will start out by saying that I'm fiercely opposed to MVA. I think it's inequitable, but there was a proposal yesterday by a gentlemen who said he was mildly in favour of MVA but suggested that if one were to have MVA, in order to have equity you would have to have the assessment based on the current use of the lands. I note that your clients, your members, are predominantly the large developers who have large buildings and who have tended to gain through this present MVA proposal. On the other side, they've got large tracts of land which have been seriously affected by this proposal. So you have this juggling act. I get out of this that there's a sense that you'd like to see MVA so long as you get the capping on your development land.

I would put it to you that if the proposal of this gentlemen yesterday were to be taken through, then the serious shift to small properties which occurred under the 1988 plan would balance itself out, because essentially it becomes obvious that highest and best use was applied to the 1988 values with respect to the small properties, because the cash flow from those properties could not possibly support those sorts of prices that are indicated by this assessment, whereas the large buildings were more based upon cash flow.

Notwithstanding the fact that we disagree on whether MVA is good or not, I would like you to comment on the fact that you're saying this proposal is badly flawed, the fact that it's the wrong year and also the question of a uniform approach to present use of a building or a property.

Mr McFadgen: First of all, I think we would favour the uniform approach to valuing property. Again, in terms of "badly flawed," I think what we would like to see is that you take 20% of all increases in the first year and 20% of all decreases and you spread it that way. We all realize the total pie is fixed; it's the shifting throughout the period and then effectively the stopping of the increases after two or three years, as the case may be.

With the other problem, the sale of residential, you go back up to market value, whereas in the other classes there's no shift back up to market value on sale of a property. That's what we consider to be the flawed aspect of this.

Mr Turnbull: Related to this is the study which was done with respect to Yorkdale shopping centre. It was identified that using the 1988 values, somehow they had come up with a scheme which reduced significantly the taxes paid by the landlord and the anchor tenants and significantly increased the taxes paid by the small tenants.

As you well know, anchor tenants already enjoy a significant benefit extended by the landlord to induce them to come in, but it seems unreasonable to me that the tax system should further bless that by saying that in some way the cost of servicing that is inherently different on a square-foot basis between the small and the large tenant. Perhaps you could comment on that.

Mr McFadgen: I guess that's an inequity that could be there; there's no doubt about that. That's the way anchor tenants are able to pay a small amount of rent, so if you go to a discounted cash-flow method of determining value, that's going to be inherent in the—

Mr Turnbull: With respect, as a commercial real estate broker and as such licensed to do appraisals, I would say that is inherently a flawed process. When you're doing an appraisal of a complex which is not separable, you would normally take the total cash flow and arrive at a value. You would not go to the various elements and arrive at separate values.

Mr McFadgen: Again, I guess that's a refinement that, if one wished, one could bring into the system.

The Chair: Excuse me. I'm sorry, we're going to have to move on to the next question.

Mr Turnbull: There hasn't been that refinement before, you see. It's always been on the total complex.

Mr McFadgen: True. It's always been on square footage, effectively.

The Chair: I'm sorry. We'll have to move on to the next question.

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Mr Mammoliti: Sir, I appreciate the submission and I compliment you for telling the absolute truth. I believe in what you're saying here. I've said that these hearings should not have come to Queen's Park. In your opinion, should we adopt the proposed Metro plan as is? If we don't, and decide to amend as you're asking, does that not create a dangerous precedent in terms of two levels of government and their responsibilities?

Mr McFadgen: There are two questions there. The first one I think I am competent to answer. As to the second one, I'm not an authority on government and the rules and

regulations on which laws this body is responsible for implementing.

But certainly on the first one I feel very concerned that we need to implement capping in the other class. Quite frankly, I'm somewhat afraid of saying that, because I suspect that if the other class was capped, effectively the only way for Metro to recoup those revenues would be to change the capping levels on the commercial. In one sense we're robbing Peter to pay Paul, but it clearly seems inequitable that there is no capping on that fourth property class. From that perspective, I certainly hope that this committee would recommend—

Mr Mammoliti: But the proposed piece of legislation that's about to go through the Legislature allows for Metro to do just that. Why should the province have to do it?

Mr McFadgen: I'm a little concerned about what exactly Metro will do. My suspicion is that Metro is simply going to take this and go with what it has told the populace it is going to implement.

The Chair: I apologize, but I'm going to have to end this part of the discussion so we can move on to other witnesses. We thank you both for coming and spending time with us this afternoon.

Mr McFadgen: Thank you.

PHILIP GREEY

The Chair: I now call upon Mr Philip Greey. Welcome to the committee. We're pleased that you could join us this afternoon. Have some water, and please go ahead when you're ready.

Mr Philip Greey: Thank you, Mr Chairman, for my 10 minutes. I hope not to take too much of your time. We operate three food stores on Yonge Street and employ 30 people full-time and 16 people part-time. We lost money in 1990 and 1991, and we expect to lose money this year. We cannot afford increases in property taxes in 1993. Our sales are lower, and our prices are lower.

The bill before you talks about a 10% increase in 1993, the same in 1994, and 5% in 1995, but you and I know what this really means, at least you should know. The 10%, together with the projected increase in the mill rate, together with the increase in the business tax, which is one third of the property tax, really means closer to 20% in 1993, 20% in 1994 and 10% in 1995, if we're lucky, or a 50% increase in three years.

How could any business take MVA or Metro council seriously when it called for taxes to increase at rates that exceeded 1000%? We have an 18-foot strip of land which accommodates 10 cars. The new assessment calls for our taxes to increase from $4,500 a year to $55,000. Is this a joke? Apparently not. MVA is based on 1988 values. Do any of you think that 1988 values reflect the market today? If you do, why don't you talk to the Reichmanns?

Recently, Oakville, or Halton county, turned down MVA, because many home owners who would have received a decrease in their house tax asked their councillors to vote against MVA, because they didn't want to lose their jobs in Oakville. I'm sorry that Scarborough and Etobicoke councillors on Metro council didn't show the same common sense.

Mark my words: MVA tax increases are going to prove to be about as popular in Toronto as the poll tax was in England. It is poorly conceived, expensively implemented, expedited without adequate examination, with punitive damage to small business.

Government spending at the present time is totally out of control: 44% of the gross national product in Canada is debt, some $400 billion, compared to an average of 18% for the other top industrial countries like the US, Britain, France, Germany, Japan etc.

Ontario can't control its deficits. It might take the lead of General Motors, the CIBC and others and perhaps let a few civil servants go. Even Ontario Hydro has got the message. A recent survey in Canada clearly showed that any job completed by a government employee costs 25% more than if it was completed in private industry.

Last month Canada had a referendum. The Prime Minister and all the premiers, the Conservatives, the Liberals and the NDP, unanimously supported the Yes vote. Now, Mr Chairman and members of this committee, please tell me, I'd be interested to know: Did any of you learn anything from the results of that referendum or was it just another exercise on behalf of the voters to try to tell the politicians something?

In conclusion, the Treasurer of Ontario says we're suffering from tax fatigue, while the Premier simultaneously says he'll have to raise taxes. Well, it's not fatigue; it's tax intolerance. We're already the highest-taxed municipality in North America, yet you're going to allow a tax increase of 50% over the next three years for most businesses in Toronto.

Well, you may pass it, you may implement it, but read my lips: You won't collect it.

The Chair: Thank you very much for your submission.

Ms Poole: Mr Greey, thank you very much for appearing today. I certainly agree with everything you have said, and I hope some politicians have learned a lesson from the referendum, but I'm not convinced of it.

Looking at this particular MVA proposal, I have raised a number of times the fact that 41,000 businesses throughout Metro will receive the full 25% capped tax increase due to MVA, and that what this translates to in final tax dollars is probably closer to the 40% to 50% range within a three-year period. How many businesses do you know that can tolerate that kind of increase?

Mr Greey: You're asking me a question that obviously I can't answer. But I would turn your attention to the Fair Tax Commission report on this tax that should come out on Wednesday. I find it hard to believe that on Thursday somebody is going to shove the bill through the Legislature. What's the sense of having a commission if it gets a one-day hearing?

Ms Poole: That's a really valid point you raise; in fact, it has been raised by virtually every person who has presented to this committee. But Mr Cooke was quoted in a Toronto Star article this morning: "His government will seek to pass the bill by Thursday regardless of the tax commission's report. 'I don't think the Fair Tax Commission in itself is an overwhelming reason to delay.'"

Mr Greey: But you can't believe everything you read in the media.

Ms Poole: Well, in this case, it concurs with what he has said in Hansard and what he has said consistently, that we probably can.

The Chair: Mr Greey, I want to thank you very much for coming before the committee.

Mr Greey: Thank you very much.

1400

BOB SHAW

The Chair: I call Mr Bob Shaw. Welcome to the committee. We appreciate your coming down this afternoon, and please go ahead when you're ready.

Mr Bob Shaw: Thank you very much. I'm here only as a concerned citizen. I live at 11 Nanton and have since 1986. It's a semi-detached town house; it's 12 years old. The current taxes on it are $8,759.

I've been 35 years in the food processing business. I've recently retired from Nestle and I've done a fair amount of travelling as one of its senior executives here in Canada.

I have no personal axe to grind, as the tax impact on me would be minimal. Being in a relatively new town house, I guess I personally have been paying a higher amount all along, because the increase is only 5%. But I am very concerned citizen. Frankly, it's the first time I've ever spoken out on an issue.

I was born in Toronto, and I'm proud of Toronto's enviable reputation internationally as a progressive, clean and safe city. I've travelled enough to personally experience the expressions of envy around the world. I'm sure I bring nothing new to this debate, but I do strongly believe that moving ahead with MVA, even in a delayed and a staggered way, would be a serious mistake. Surely it is the life within Toronto, and particularly its core, that is vital to our success; "life" in the sense of many people living, working and spending leisure time, day in and night out, right in the heart of the city.

Until a thorough impact analysis is done on what effect MVA would have on this living, vital essence to Toronto, you will be guilty of mismanagement, in my opinion. It is my belief that it will seriously discourage people from living and carrying on small businesses in Toronto, particularly in the midst of Canada going through a major, fundamental economic restructuring and in a serious world recession. And using the high-water mark of 1988 for assessment is very questionable.

I'm sure the expectation is that there will be a total increase in tax revenue coming out of the city of Toronto. As the former speaker indicated, with this, in my opinion, there will likely be less. Again, I think an impact analysis is necessary to assess that.

In summary, this thorough assessment I think is very, very needed. We ought to be cautious about the impact on the lifeblood of commerce and vitality. I don't want to see Toronto turned into a city with a vacant, dangerous core, as is seen in so many cities south of us.

In my opinion, progressive thinking should see to it that the city of Toronto be possibly singled out for special consideration.

Finally, should some change be necessary—repeating myself—don't pick a serious recession and a fundamental restructuring as the time to do it, and do not use the volatility of market value assessment as a basis for determining equity. Thank you very much.

The Chair: Thank you. We have time for a question. Mr Turnbull.

Mr Turnbull: Mr Shaw, you said you won't be particularly badly harmed by this. Indeed, almost overwhelmingly the majority of the people who've been presenting have come and spoken against MVA. Some have said they will not be harmed; some have said they'll actually get reductions on their MVA. There are a few people who've come and spoken out and said that they believe MVA is right.

The underlying message has always been that the present system is inequitable. The suggestion is that this is not really MVA, and that we're not moving to MVA has been suggested by the government. But indeed the tax bills that will be sent out are going to show full MVA reductions. Do you not think it's almost inevitable that people are going to demand the full deductions, and people who benefit generally will be demanding full MVA?

Mr Shaw: I'm sure, knowing the nature of people, they will be anxious to see that their own wellbeing is taken care of. I think one of the problems we have as a nation, frankly, is that we are too selfish in what we're seeking. I think a bigger view of what's going on needs to be brought to the fore. I don't think individual complaining about the effect on individuals is what's at stake here. I think this is a city that could seriously find itself in big trouble if we don't allow the nature of the city as we know it today to carry on, and I think it's already under a lot of pressure.

Mr Turnbull: I'm particularly concerned about the impact on businesses, because we're in a world recession and we've seen major restructuring, and it seems absolutely inappropriate to increase the tax load on businesses that are barely getting by at the moment. Are you in business in some way?

Mr Shaw: No, I'm not in business right now. My experience has been working for a multinational in a business role. My observation would be that if business gets increased costs, be they taxes or whatever, they'll pass them on, and if the public won't pay the increased costs, they're going to find a difficult time staying in business.

The Chair: Thank you very much, Mr Shaw, for coming before the committee.

Mr Shaw: Thank you.

FEDERATION OF METRO TENANTS' ASSOCIATIONS

The Chair: We now call on the Federation of Metro Tenants' Associations.

Ms Elinor Mahoney: Are these the two mikes here?

The Chair: Actually, they all function, but perhaps you want to take the two in the middle, and have a glass of our fine Queen's Park water.

Ms Mahoney: I hope it's better than your fine Queen's Park coffee.

The Chair: Welcome to the committee. If you would be good enough to present yourselves, we'll proceed.

Ms Mahoney: My name is Elinor Mahoney. I'm the law reform chair of the Federation of Metro Tenants' Associations, and to my left is Deborah Wandal, who is our policy coordinator on staff with the federation. I'm going to be starting off.

Picture, if you will, a typical restaurant on a busy day. Some people sit at spacious tables in quiet nooks or by a window with a view of the city. Other customers sit at smaller tables by the door, near the kitchen or in the middle of the room. The restaurant is a good one, though, so all the tables are full.

Now, in most restaurants, the customers are treated equally, more or less. They choose from the same menu, are served by the same waiter and eat the same food. But this restaurant is different. In this restaurant, the people at the good tables are charged lower prices. The waiters give them more attention and service too. Meanwhile, the other customers are overcharged. Few notice, as they are not offered menus which explain the pricing policy, and therefore are unable to check the prices against their bills. They do notice, though, that they are getting less service, but they feel powerless to complain.

Why? Because this restaurant is the only restaurant in town. In fact, this restaurant is the town. It is every city and town in Ontario. The customers who are undercharged are the home owners in every municipality, and it is the tenants who pay disproportionately higher for proportionally less service from the waiters on city council.

How did this situation come about? Its origins date back to feudal times, when tenants were treated like chattels. It has only been within the last four decades that things have improved at all. Let me remind the committee that until the 1950s, tenants were not allowed to vote in municipal elections. Although they now have the vote, tenants are still systemically discriminated against by the province and by the municipalities.

For the past few months, much focus has been placed on the Metro government's MVA plan. The fact that Metro taxes rental residential property at a much higher rate than single-family homes is beginning to be publicized, and there has been a recognition—finally—that tenants pay property taxes too, through their rent. Slowly, tenants are realizing the inequities in a municipal tax system which charges them more while offering them less than the home owners.

No one can deny that the cost of providing water and sewage hookups for a 200-unit high rise costs much less than hooking up 200 homes in a subdivision. Many municipalities do not provide free garbage pickup for high-rise apartment buildings, either. While police regularly patrol residential streets, tenants are frustrated in their attempts to get their cities to enforce fire, safety and property standards in their buildings.

If tenants have been quiet in the past, it is because, like the customers in the restaurant, they have never been offered a menu with real prices on it. Unlike home owners, tenants do not get a detailed tax bill. This is sent only to the landlord. So although tenants pay more than their share for less service from their municipality, they have been in the dark until now. But as tenants struggle forth into the light, they are beginning to realize that municipalities are not solely responsible for this discriminatory treatment. The province is equally, if not more, culpable, and I'll explain how.

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In Ontario there are several types of property: residential, agricultural, commercial and industrial. Each type of property is treated differently by the provincial government when assessing its value for tax purposes.

First, it estimates the market value for each property. This is the province's best guess of how much the property would sell for on the open market. Then the province considers what type of property it is and the assessors apply a different percentage to each class of property to determine the assessed value of a particular property. The assessor multiplies the market value by the appropriate percentage to get the assessed value of the property. It is not until that time that the municipal government gets involved at all. Then the municipal government applies a tax or a mill rate to the assessed value and comes up with the tax bill.

At first, this approach sounds reasonable. It seems fair to assess different types of properties differently. However, the province does not treat all types of residential properties the same, and this is where the unfairness lies. The province divides residential properties into three classes: class 0, class 1 and class 2. Class 0 consists of all residential properties containing one or two units, class 1 is those residential buildings with three to six units, and class 2 contains all properties with seven or more units. Obviously, most home owners fit into class 0 and most tenants live in class 2, the second class.

The province assesses the value of class 0 buildings at 2.2% of the market value, but it assesses class 2 buildings at about 8% of the market value. The result? Tenants are paying property taxes through their rents at 3.5 times the rate of home owners. Make no mistake: This is anti-tenant discrimination and does not reflect a perceived difference in values between low-rises and high-rises. How do we know? We know because condominium high-rise units are assessed at the same rate as single family homes, at the 2.2% rate, not at the 8% rate.

The discriminatory effect becomes clear when we examine the following scenario: two identical buildings built side by side, each worth $15 million; one's a rental, one's a condo. The province would assess the value of the condo building for tax purposes at $330,000, but it would assess the value of the rental building at $1.2 million. As the taxes are levied on the assessed value, the tenants would have to pay more than 3.5 times the taxes that the condominium unit owners had to pay. We maintain that no rationale for this inequality exists.

Is the effect on tenants significant? You bet. City of Toronto studies show that about 30% to 35% of tenants' rent goes to pay their property tax. One reason that the annual guideline for rent increases is so high every year is because they have to factor in municipal taxes, which, as we all know, rise at a rate far higher than the rate of inflation. When we consider that tenants as a class earn far less than home owners as a class, the unfairness of the disproportionate tax burden is compounded.

Do the MVA proposals rectify this situation? No. Despite publicity that taxes will be reduced for a majority of Metro's rental units, the truth is that tenants as a class will not benefit at all. If some taxes go down, others will go up. All market

value assessment does is to shift the tax burden from tenant to tenant. It smooths out the inequities within classes, not between classes, of properties.

It's like ensuring in a restaurant that a party of four divides the bill equally, while failing to acknowledge that the bill was padded in the first place. While it is fair to blame the waiter for deficiencies in service, it is the restaurant owner who must be held accountable for discriminatory price and practices. And I've got news for you: You're the folks who own the restaurant. You're the government. We think it's time for you to invite the tenants to the table, the same table each of you and the other home owners in the province are dining from.

Last year, with much hoopla, the current government created the Fair Tax Commission, which would investigate all forms of taxation and make recommendations for change. Now the province seems determined to push through this MVA legislation, which does nothing to eradicate the real inequities in property taxes, without hearing first from its own commission. Why the rush?

The Federation of Metro Tenants Associations remains unconvinced that passage of Bill 94, as it currently reads, is either necessary or advisable. We urge the province to withdraw this bill until such time as the Fair Tax Commission's recommendations on municipal tax reform can be considered, discussed and assessed.

The federation believes that all residential units ought to be assessed and taxed on the same basis and that the current discrimination by the province, which began many, many decades before and not with this government—all three parties here have formed governments which continued this discrimination—that we should end this discrimination and bring in a really fair tax system.

We also have serious concerns about how Bill 94 passes on tax increases and decreases to tenants, so in the time remaining, Ms Wandal would like to bring some of these to your attention.

Ms Deborah Wandal: Section 16 of Bill 94 amends section 113 of the Rent Control Act. We have real concerns regarding how this amendment will affect tenants and their right to the rent reductions that will be based on tax decreases.

I'll first address what section 113 of the Rent Control Act originally provided for. The Rent Control Act came into effect in August 1992, and at that time it was set out in section 113 what steps were to be taken by the two levels of government when property reassessments resulted in municipal tax reductions.

First, a municipal council was entitled to pass a resolution requesting the provincial registrar to decrease maximum rents. Then the province was entitled to choose to do a series of calculations: first, determining the reduction in the landlord's costs; second, calculating the reduction of maximum rents for affected units; and third, amending the rent registry information. Finally, the municipality would then send notification to the tenants of their new maximum rents, which were now recorded in the rent registry.

Before going any further, it's important to note that these rent reductions are tenants' rights. Section 113 was not designed to offer a giveaway of rent reductions to tenants. Tenants' rent payments are closely tied to landlords' municipal tax bills, and the rent revenue that's used by landlords to meet their operating costs includes covering municipal taxes, which generally constitute about 40% of a landlord's total operating cost component.

As a result, as Elinor Mahoney mentioned, about three to four months' rent from each tenant goes directly towards a landlord's municipal tax bill. As well, when tenants in the private rental sector pay the guideline rent increase each year, this has been calculated to cover inflationary increases in these same operating costs and takes into account all municipal tax increases. Therefore, tenants' rent increases directly reflect the increases in their landlords' tax bill. Accordingly, when landlords' taxes go down, so should the rents.

Under section 113 of the Rent Control Act, there was clearly a commitment that the municipality and the province would together assume the costs of passing the landlords' tax savings directly on to the tenants. One level of government would make the necessary calculations, using the information in its rent registry, and the other level of government, Metro, would assume the costs of notifying the tenants and assume all the mailing costs. Let's call this process that I've just outlined plan A, and that's what's in section 113.

The draft amendments to this section that are set out in section 16 of Bill 94 destroy this cooperative effort between the municipality and the province. The amendment which has been introduced by the province forbids any municipality to file a resolution with the registrar regarding decreasing maximum rents until municipal council and the minister have agreed on how the costs for this work will be divided between the two levels of government. It's our understanding that this government wants Metro to foot the entire cost of plan A; that is, they want the entire cost of amending the rent registry and notifying tenants to be absorbed by Metro.

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The estimated cost is about $6 million. The concern here is clearly money and who is to pay, and it's clear as well that now this government does not want to foot the bill for plan A. The question to ask then is, why did the government put this plan in the Rent Control Act to begin with?

The interesting answer is that it was actually financial considerations that prompted the government to include this plan in section 113 of the RCA. This government was concerned that the usual process for ordering rent reductions and amending the registry would be prohibitively expensive in this case. The usual process for making these kinds of orders for rent reductions—let's call this usual process plan B and let's look at what plan B is. Plan B, under the Rent Control Act, requires tenants to apply individually under section 24 of the Rent Control Act for rent reductions when operating costs, such as hydro or municipal taxes, are reduced from one year to the next.

Requiring tenants to make these applications individually will cost this government a lot of money in administrative time and paperwork. The government will be required, according to the procedures set out in the Rent Control Act, to provide information to potential applicants, to provide application forms, to send notifications of receipt of applications, to send notifications of hearings if a hearing is requested, to hold a hearing if a hearing is requested, to accumulate the evidence and to send out the orders.

Some 180,000 tenants can apply for these rent reductions. This government has estimated that a few thousand landlords' applications for rent increases arising from reassessment of 120,000 units will cost about $5 million. Therefore, making 180,000 tenants apply individually will cost a minimum of $8 million.

It's clear that plan A under section 113 costs a lot less than plan B, which is the normal process of rent reduction applications, and it's also clear that section 113 was put in the RCA precisely because the government knew that the administrative costs of processing huge numbers of such applications would be truly prohibitive.

Why then at this time is the Ontario government not prepared to foot the bill for the procedures set out in section 113 and make the necessary amendments to the rent registry? It is here that this government's cynicism becomes apparent. We can only imagine that the government assumes that many tenants will not make these applications for their rent reductions which they have a right to make, and thereby this will save the government millions of dollars. We have to ask what the government is really counting on here.

Tenants are already recognized as a group that does not have equal bargaining power with landlords. There are many negative social and economic forces and influences that constantly act on and affect tenants, which put them at a disadvantage. It's never really been a surprise to anyone that tenants frequently don't stand up for themselves or their rights, given their limited access to information about those rights, their fear of their landlords or susceptibility to intimidation and the very economic harshness of their lives.

The government's cost-saving measures are really counting on tenants' disadvantaged position deterring them from applying and making them reluctant or unable to act on their own behalf.

We've seen that plan A is faster, it's more cost-efficient than plan B, and it also ensures that all tenants get the rent reduction they have a right to, but there is one other problem with plan B, which is the normal process.

The Chair: I'm sorry; there are some questions to be asked. We are getting tight. Could I ask you to just make it brief.

Ms Wandal: I'll very briefly then say that the second problem is that, as many of you know, tenants will not simply have to show that there's been a decrease in the tax bill of their landlord from one year to the next, but that it has been extraordinary, that it is 50% greater than the provincial average change in municipal taxes.

If we just use the example of MVA here, if you had a municipal tax increase across the province of 8% or 9%, a lot of landlords, because their properties were reassessed and they got a tax saving, might end up with only a 1% increase for a year, or a 0% increase, or 2%. But no tenant would be entitled to apply for any rent reduction because there would be no actual decrease in the landlord's costs. Even if there were a slight decrease, it would have to be 50% more than the provincial average.

A final point is that tenants wouldn't be able to make those applications until 1994, when a full year of the landlord's tax bill had been completed and the landlord had incurred those costs and been found to have a saving in his tax bill.

We really want this government to look at Bill 94, section 16, and reconsider holding out on tenants. We want the original section 113 put in place. We want tenants to have the opportunity to recover the rent reductions that they're entitled to and that would be available to them under the MVA. Thank you.

The Chair: Thank you. One of the awful things chairs have to do is to recognize time, but because in particular you're addressing a very specific issue, I wanted to make sure that each caucus had an opportunity to ask a question. I just ask the cooperation of members for one sharp question.

Ms Poole: Thank you both, Elinor and Deborah, for your presentation today. I think your analogy was superb and really puts the position of the tenants forward.

There were a number of main points in your brief, including the inequities between classes, which we actually have had some presentations on, where tenants in a high-rise building are paying three and a half times the tax of a home owner, and that's something we certainly urge the government to redress.

But I'd like to hone in on section 113 of the Rent Control Act, your other point. I've looked at section 16 of part III of Bill 94 and it seems to me that this does a couple of things. The first is that it says, "The registrar may decrease the maximum rent." It doesn't say "shall"; it says "may." When the government passed the Rent Control Act, section 113 was seen as a protection for tenants, that if the maximum rents were adjusted in the rent registry and tenants notified automatically, then tenants would not lose their rights.

What we have here in this new amendment to section 113 of the Rent Control Act is, first of all, that it only "may" decrease, not "shall." Then, secondly, it says that the municipality may pass a resolution that these records be adjusted, but then they put in a section which says that the municipality can't put forward the resolution unless it signs an agreement with the province as to the cost. What the province has done is put Metro over a barrel. They've said: "If you don't pay that $6 million yourself, then we won't allow you to pass the resolution. We won't enter into the agreement."

My feeling is that tenants are going to get shafted, and not only for the reasons that you cited but one that you touched on and didn't have a chance to explore in depth, and that is, how many of those 180,000 tenants out there will actually, first, know about it and, second, make that application? Do you feel that a large number of tenants will lose their right if this isn't done automatically?

Ms Wandal: Definitely we feel that the majority of tenants won't apply, and there are all kinds of reasons for that. It's generally the case that people have a difficult time taking that step and saying: "We know we're entitled to this. We're going to do this. We're going to make the application." That's why, when section 113 was put in place in the RCA, our concern was just whether or not, under section 113, the municipalities would actually make the resolution. We never imagined that, once the municipalities made the resolution, the province would not proceed to amend the rent registry.

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Even if just the rent registry were amended, the information about the reduced rents would just be a phone call away, at the very least, because it is easy enough for tenants to call up and say, "What is my accurate maximum rent now?" But without any notification and nothing in the rent registry, tenants have to go out on that limb. They have to make the application, they have to be concerned about possible repercussions for their tenancy. It puts them in a much more difficult situation.

Ms Mahoney: I'd like to add just one point to that, and that is that the Rent Control Act is the government's attempt at rent regulation. Traditionally, all parties have recognized that rent is for a variety of services that tenants pay for. The idea of regulation is, when the services go down, so does the rent. By the government not amending Bill 94, to refuse to do its part, which is to tie the services to the rent by reducing the rent automatically in the rent registry, essentially what the government is saying is, "Rent control in Ontario is dead."

Mr Mammoliti: Two arguments here, from what I've seen: The fact that our property tax system should be amended throughout the province so that those who would benefit would include tenants—no question. I agree with that. Now, how is that relevant to market value assessment? The argument you're making in terms of market value assessment is that rent control, section 113, will pose a problem if market value assessment is implemented—I'm sorry, if the proposed plan is implemented as is. We had a representative from the the Ministry of Housing a few days ago tell us that the automatic reduction won't be a problem.

Ms Mahoney: It won't be a problem, all right. It won't exist, it won't happen.

Mr Mammoliti: Hold on a second. In terms of the reductions happening, he didn't foresee a particular problem. Now if he is telling us the truth and if he's saying, "Yes, the automatic reductions are going to happen," what do you say to all of those tenants after you've made the recommendation not to allow this thing to go through on behalf of your federation? What do you say to all those tenants in my riding and in Etobicoke and in Scarborough who are going to receive that reduction?

Right now you're saying, "Don't pass it, because we don't believe it'll be beneficial." What if it is beneficial? What if the Ministry of Housing representative who was here the other day is accurate and says that these reductions are going to happen? What are you going to tell all of those tenants in the prospective areas who are waiting for this decrease to happen when they ask you, "Why did you make that recommendation?"

Ms Wandal: I think the problem with section 16 is that there is a contingency in there, and once it's in there, it's going to stay in there in all future instances of reassessment. The contingency is the municipality and the province have to agree as to costs.

Mr Mammoliti: The ministry said it's not going to be a problem.

Ms Wandal: But all you can say at this time is that it is not a problem in this specific instance as far as this specific reassessment goes. But once that section gets put in the Rent Control Act, it applies across the province. It applies in every instance of reassessment. If that particular municipality and that particular provincial government don't agree—

Mr Mammoliti: Mr Chair, if I can have one more minute, please. This is very important.

The Chair: Forty-five seconds.

Mr Mammoliti: I see the argument and, frankly, I sympathize. But in this particular case, if we were to listen to you and not implement this proposal, from what I've heard from the ministry, you're going to ultimately stop thousands of tenants from receiving their deductions.

Ms Wandal: No, section 113 will apply.

Mr Mammoliti: I understand you want rent control amended—in particular, section 116. But in this particular case with the proposal from Metro it looks like the tenants are going to get the reduction, because there's going to be that flexibility at the ministry level. If it's going to happen, you're going to see thousands of tenants with a rent deduction. If we listen to you today, that would mean that they're not going to get that rent deduction.

The Chair: I think the question is clear.

Ms Mahoney: Mr Mammoliti, what we want you to do is—in section 116, we want you to take out the offending contingency clause. That's all. I don't have the clause here. I think it's subsections 1(2),(3) and (4). That's all we want. The rest is fine.

The Chair: I think that is clear and we'll have to move now to Mr Turnbull.

Mr Turnbull: Thank you very much. Elinor, if I could just ride on your analogy. The only way they're getting away with charging higher prices in the restaurant to people who've got a small table by the door is because there are no prices on the menu they give to those people. There are prices on the other menus.

The discussion that just went on here with Mammoliti obviously shows he doesn't understand it. If the province doesn't insist that there be an equalization between tenants at this time when there's a general reassessment, it ain't going to happen. It's just that simple. We've got a problem that needs to be addressed and the government seems totally unwilling to address it, even though Metro passed a motion asking them to address this historic imbalance. The motion came to the government. They have it. They have absolutely ignored this issue.

I would like you to comment on that and I would also like you to comment on the fact that one of my pet schemes is I've always believed it was rather important that tenants be given a tax bill each year so they understand what component of their rent is taken up by taxes. One of the great problems at the moment and I think one of the reasons it has set landlords and tenants apart, is because tenants don't realize what a huge grab municipal taxes are taking. If they realized that taxes on apartments were often larger than some of the houses, they would be absolutely up in arms. So, if you could comment on those two—

Ms Mahoney: Yes. I'll comment on the last, first. That is to say, we agree with you. All tenants should get a tax bill. Just like they can figure out how much their provincial and

federal income taxes are, they should be sent a tax bill by their municipality, or a copy of it.

Then to comment on your first point, last. Your first point I think was a two-pronged one. One saying that if the government isn't listening to our small suggestion today, chances are it won't listen to the larger suggestion that tenants need to be treated equitably in comparison with other residential property dwellers.

I would just say that essentially what we're arguing for today are two things: One is a general argument that tenants should be treated the same as other residential dwellers. That may be an issue for further study. The government of Ontario is responsible for that. It's a traditional practice of discrimination, one which has been inherited, and we're asking you to look to change it.

The second thing we're asking for in this small instance is, at least within dividing up the bill in the table, ensure that the tenants who are supposed to get the decreases do get the decreases. We feel the only way to do this is through an automatic rent reduction that is not contingent on an agreement that the municipalities pay the whole cost. We want those two offending clauses taken out of section 116, which otherwise is fine.

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The Chair: Thank you very much. You've brought forward a number of ideas for us to consider. We appreciate you coming today.

Oh, I'm sorry. The parliamentary assistant had one point he wanted to make.

Mr Mills: One point. Thank you very much, Mr Chair.

I heard your comments about property classes. I'm not here to shirk the responsibility on behalf of the government in that issue, but I would like to point out that on December 4 I tabled a letter here for all the committee members. I'd just like to read you a short paragraph, as it relates to Metro's responsibility.

"If Metro's proposal had suggested that some of the residential classes should be combined, the impact studies issued in the summer could have been incorporated in this feature, and if Metro council agreed to this consolidation, their desire could have been accommodated by reflecting this property class arrangement in the future regulation to be issued."

I'm saying that I'm not shirking our responsibility, but Metro had that opportunity.

Thank you very much for coming.

The Chair: Thank you.

J.N. BEAL

The Chair: If I could now call Mr J.N. Beal, if Mr Beal is here, if he'd be good enough to come forward. Following Mr Beal will be Mr McAfee and then Telpo Investments. Mr Beal, welcome to the committee. Thank you for coming out this afternoon and please go ahead.

Mr J.N. Beal: I'm here just on my own behalf with no written submission, just to make two or three points, if I may, in connection with this MVA issue.

I live in the central part of the city, so my interest is really against the proposed system because of the material adverse impact it's going to have on my own property tax position. I'm here to argue on principle, though, to back up my concern.

I guess where I'm coming from is that living in the central part of the city in a house that may—I'm a property owner. I live in a house in this part of the city, which gives me about half the space and probably half the lot size here in the centre of the city that I would get in one of the outlying boroughs. The values of the properties are the same and, ergo, under the system, the tax that I would be required to pay would be the same either way. Yet the claims on the system, it seems to me, from the smaller property in the centre of the city are going to be much less than the claims on the system that the taxes are paying for than the larger house further away from the centre of the city, if for no other reason, for example, than the smaller house in the centre of the city can't accommodate as many people, children, for example, who may have a claim on the school system.

Similarly, on the same principle of two equal-sized houses, the one in the centre of the city is going to cost a great deal more and a person who wants to live in such a place in the centre of the city makes tradeoffs. He'll live there and pay the higher cost of owning that property, usually in the form of mortgage costs. He's prepared to do that because he's saving other costs. He doesn't need a second car, perhaps, to drive the longer distance if he were living farther away. He saves time in getting to his job if he works in the central part of the city, and time is also money, inconvenience and what have you. Those are costs he knows when he goes in and trades them off.

But the property tax doesn't really fit into that equation, because, again, the claims on the system are essentially the same. In fact they may be less living in the central part of the city. You don't need as much roadway to travel on because you're not travelling the same distance.

Where I'm getting to is that I don't have confidence that the market value system is an equitable or sensible basis for levying property taxes. Perhaps a good example is the TTC fare. It's the same fare regardless of where you live in the city. An attempt is made to try and rationalize and not penalize people who live in one part of the city versus another part, to try and smooth the thing out. Perhaps the property tax system should be somewhat along the same lines.

However, if the new system is going to go forward in that the 1988 values are going to be the basis for the new system—and I'll just say I'm concerned about the 1988 values being used, as so many other people have already said, I'm sure, particularly in the central part of the city, where the values have collapsed perhaps more than anywhere else in the city. However, if that system is going to be used, all I ask is that the people who are living in the centre part of the city, who are going to be most adversely affected by this, should they sell their houses in the short term, not be put in the position that the buyer of the house is going to pay full bore under the new system, because in the last analysis it will not be the buyer who pays the shot under the new system; it will be the seller, because the buyer has only a fixed number of dollars to spend when he buys a property. For example, if my taxes go up $5,000, which they are scheduled to go up to under the new system, and money costs 10%, the buyer of the house will simply chop the price he's prepared to pay for my

house by $50,000. So he will not end up paying the new taxes. It won't be a tax on the property, as it were; it'll be a tax on me as the vendor, which I will continue to pay through having had a $50,000 reduction on the resale value of my house. I'll end up in effect paying property taxes on that property after I've sold it, if you will. The tax will essentially be for ever on me as the current owner.

So I see that as the most serious flaw in the new MVA-based system that was brought in, and I would ask, if it is brought in, that that part of the provision not be brought in. Just let it float up over a long period of time, just the way the system is built up as it is now over a long period of time, so that those severe impacts on the value of people's houses in the central part of the city, who are going to end up selling them in the short term, are not as severely impacted as I know they will be if this provision is allowed to go through.

Thank you. Those are the particular points I wanted to make.

The Chair: Mr Turnbull, we've time for one question.

Mr Turnbull: I think you raised a very interesting point which has not been pointed out before, and that is, implicitly there is a subsidy to people who live in the outer regions of Metro by merit of the fact that there's a single fare zone for TTC. The fact is that relatively few people who live downtown work in the suburbs. They typically walk to work or bicycle to work. It's much more efficient.

But it's a question of fairness, and I don't think that the people in Toronto and in the close areas of North York have objected to any subsidy that has gone to, particularly, Scarborough. Scarborough has been the biggest recipient of subsidies by way of education subsidies and probably transportation subsidies, but there hasn't been an objection to that.

But, quite clearly, the present system is not working. We need to review it. We need to revisit it. The basic problem is that we have a report which is pending by the Fair Tax Commission. The property tax panel will report next Wednesday, and yet we have been told that this legislation will be passed by Thursday of this coming week; in other words, the day after the Fair Tax Commission property tax report comes out.

Now I would suggest that taxpayers everywhere, including the taxpayers of Scarborough who are so outraged that they feel they are paying too much taxes at the moment—their provincial tax money is being spent on a tax commission report which has taken many months of preparation and had a huge amount of money invested in it, and that is not even being considered before rushing through this bill.

Also, I would suggest that the property owners who have small businesses—

Mr Anthony Perruzza (Downsview): Mr Chairman, he completely distorts everything that we have in front of us. Is that allowed?

The Chair: Order, please. Mr Turnbull has the floor and he's coming to a question.

Mr Turnbull: This, unfortunately, is the kind of propaganda we're hearing, with the suggestion that I'm distorting anything. I'm stating the facts, that the Fair Tax Commission will—

Mr Perruzza: The only fact is that you resent being given a tax increase in your community. That's what you resent.

The Chair: Order. Mr Perruzza, you do not have the floor. Pose your question, please, Mr Turnbull.

Mr Turnbull: Yes. One of the problems is that the NDP member insists on attributing motive to those people who oppose MVA.

Mr Perruzza: Parochial interests.

Mr Turnbull: And silly suggestions of parochial interests.

I wonder if you could just comment on maybe the outburst that you heard now and how you feel about the carriage of these hearings, which my party insisted on having. The government is even objecting to the fact that it was us demanding these hearings. They seem to suggest that there's something inherently wrong in the Conservative Party demanding public hearings of this.

Mr Beal: I cannot see why any legislative body or party should be afraid of hearing the issues and having them fully debated. This problem, if it's perceived to be that way, has been around for a long, long time. Market value assessment as a concept has been here for ever and the revision of it has been in the works for the longest time. Why suddenly the rush to get it through so quickly before all the issues have been aired?

I have never appeared before a committee before in my life and here I am, and if you don't think that tells you the depth of concern that the average person has, then they just don't understand the grass-roots concern over the whole issue. We're all looking for equity. Just to cut it off, they're all looking for equity. I'm not saying the market value system is wrong; I honestly don't know. That requires study, and I go back to my last point: If it turns out to be the basis that is used, please phase it in in such a way that the right people are paying the right burden of tax under that system.

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The Chair: Thank you. The final point, the parliamentary assistant.

Mr Mills: I heard you, sir, make some mention about the full tax impact that you'd have to carry when you sold your home, and perhaps you weren't here, but I addressed the hearing with a statement. I'd just like to read you what I said that first day:

"We are saying to Metro in this bill that we are not in favour of that part of the plan that requires a house to be taxed at full market value assessment once it's sold. They will now have to revisit that part of their plan."

That's what I said and this is what the government believes, and thank you, sir.

Mr Beal: That's better. I had not heard that before and I'm glad to hear that statement.

Mr Mills: Yes.

Mr Beal: But yes, that doesn't go to the core of the problem. All I'm saying is it's sort of a second-best solution if it comes down to—

The Chair: Mr Beal, thank you very much for coming before the committee. I hope that you will feel free to come before other committees in the future.

ACCOUNTABILITY

The Chair: Mr McAfee, if he is here. If you'd please come forward and have some water.

Mr Rick McAfee: Yes.

The Chair: Please go ahead.

Mr McAfee: My name is Rick McAfee. I represent a small organization I just started about two years ago. It's called Accountability. What we are here for today is to let the politicians know that we're not happy with the way this procedure is being followed. We've followed it through Metro and we're following it up here not only because it's an issue that's going to create a lot more unemployment, a lot more closures and a lot more people on the street. There are about 600,000 people now looking for employment in Ontario. This is just going to add to the burden.

I've listened to this hearing during the days it's been going on and I'm hearing the same arguments back and forth and nobody's really listening. I guess what we need is a little bit of reality to come in here because nobody's listening to what's happening out there. There are people looking for work constantly. Many of our members are on the verge of losing their business or losing their homes and this'll just be the last thing to push them over the edge. If you don't think that's going to happen, all you have to do is go for a little drive downtown, have a look around.

I keep hearing about how it's so unfair, how the people in Scarborough and Etobicoke are paying more than their fair share, but the reality is that many of those people work downtown and they take advantage of the TTC. They take advantage of all the benefits downtown. To me, to exchange my job for a few hundred dollars back from taxes just wouldn't make any sense.

What we're here to tell you is that we think that this MVA plan should just be scrapped. The whole situation should go back and be restudied and possibly a new plan come up, because all we can see is more unemployment, more foreclosures and a lot more of the recession we're seeing right now.

I think what we really are going to have to do, and we're doing this in the next election, is we're going to hold the politicians accountable. Right now, there's so much going on that you don't know where to start. There's so many things happening, but this is one issue we're going to definitely make sure the politicians are listening to us on.

The fact is that we've been before a couple of committees and it seems like no one's listening. I don't know why people have a hard time understanding what's going to take place. We're seeing the foreclosures and everything now. Why do we want to add to that? It just doesn't make a whole lot of sense to me why we go full tilt, why we can't wait for this Fair Tax Commission. It just doesn't make any sense at all.

That's my opening statement.

The Chair: I think we have some time for one question. Mr Perruzza.

Mr Perruzza: Where do you live and how much do you pay in property tax?

Mr McAfee: What's that got to do with it?

Mr Perruzza: That's what we're talking about.

Mr McAfee: Yes, I have a business in Toronto.

Mr Perruzza: That'll be my next question. Where do you live and how much do you pay in property tax?

Mr McAfee: I don't pay any property taxes. I'm a tenant. I imagine I pay somewhere in the rent I pay, but what's the point?

Mr Perruzza: Where do you live?

Mr McAfee: East York.

Mr Perruzza: Does East York have an address for the record? Do you have an address in East York?

Mr McAfee: Yes.

Mr Perruzza: What is it?

Mr McAfee: 1559-A O'Connor Drive.

Mr Perruzza: You're a tenant there?

Mr McAfee: Correct.

Mr Perruzza: Do you work?

Mr McAfee: I have a small consulting business.

Mr Perruzza: Thank you.

The Chair: There's time for one small, short question.

Mr Turnbull: I was actually going to ask where you live too.

Mr McAfee: Yes.

Mr Turnbull: One of the problems that we're having is the fact that we're setting up, unfortunately, a confrontation between the suburbs and the central older core of Metro. That includes parts of East York, the city of Toronto and parts of North York. I'm really concerned at the fact of the bad blood that will be caused by this.

Mr McAfee: I think you're going to see a lot of tax revolt. I know right now there's a couple of people talking about tax revolt, not even paying their provincial tax right now. But I'll tell you one thing right now that—like a lot of people are not listening. The fact is, if you have a small business, you have a better understanding of what's going on. Most people are talking about, "This increase is not going to hurt." Most people aren't even taking a wage right now in a small business. So they're coming along and saying, "We'll just take 25%." That could represent somebody's wages, like an owner's wages or something. They're not listening to us.

Mr Turnbull: Yes.

Mr McAfee: It's always the same thing. I think if you look at it from the situation where you have something invested in a small business, it would be a whole different story. I think what they should do is wait for this fair tax thing to come along and start over again, because this is going to kill a lot of business and a lot of jobs.

The Chair: Mr McAfee, thank you very much for coming before the committee today.

TELPO INVESTMENTS

The Chair: If I could now call on Telpo Investments. Is Mr John Sutt in the room? If not, Mr Roger Middleton will be after Telpo Investments.

Welcome to the committee. If you'd be good enough to introduce yourself for Hansard and please go ahead when you're ready.

Mr Robert Cook: I'm Robert Cook. I am a partner in Telpo Investments and I'm here because Telpo Investments owns a small restaurant called Hemingway's. We own the restaurant and we also own the land at 142 Cumberland Street.

Like the gentleman before me, I also have never been to a committee like this. I've only come out here because I guess my financial existence depends upon it. I also went and spoke at Metro council, the management committee there, and I was there because my financial existence depends upon it. I must say that here I think the people listen and ask questions. There, I didn't seem to have that same sense.

I think Mr Tonks was appalled by the behaviour of the members against market value assessment. I think it's because he didn't understand how desperate we are. We're the backbone of this community. I employ 70 people. Next year, I'll probably employ nobody unless we get some relief.

If fully implemented, our realty taxes would increase from $11,956 to $57,000. That's realty taxes and business. This increase would put us out of business, plain and simple. It's ironic too because some of our salaried employees, some of our higher-paid employees, like our chef and sous-chef, come from the suburbs, so their taxes would go down. Maybe their taxes on their houses will go down $1,000. There would be real equity there. They'd feel a lot better, but they'd be out of a job. But we're just one case. There are thousands like us. I'm sure that you've heard other people like me speak like this.

Thousands of businesses would close, all in the name of tax equity. Jane Jacobs spoke at Metro and she said that it will destroy the business community, destroy the thing that makes us different from the American cities.

Our business has about 1,900 square feet of retail on the ground floor. That's our restaurant area. At 1,900 square feet, $57,000 in business and realty taxes represents $30 a square foot. I'm not an expert on tax, but I know that's not equitable. We can't afford it. No other restaurant I know could afford to pay $30 a square foot in business and realty taxes. There's something inherently wrong with this. I don't know what it is, but I know what's proposed doesn't work and it will put many of us out of business.

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I went to the suburbs when this first came out and talked to some other restaurants that were getting increases of 100% or more, but their taxes are going up from, say, $10,000 to $20,000 and yet the restaurants were bigger than ours. How can we use more garbage, how can we use more police protection than these people whose taxes would only go to $20,000? If we're taxed based on our services, there's something wrong with this. There's something inherently wrong with the whole system.

We appreciate the efforts made at Metro council to compromise, particularly the suggestion that the cap go to 10%, 10% and 5% for a total of 25%. We particularly appreciate the recommendation that there not be full MVA upon the sale of a building. If we got in trouble with our bankers and the bankers power-of-saled on us, then our own houses would go because we personally guaranteed this. We'd be wiped right out.

So this is a very, very serious matter, but the compromises don't work because what we have now is a cap. It's a promise not to do anything for a while, and yet that full assessment that would bring $57,000 in taxes against our property is still sitting there kind of pregnant. It's a little bit like the sword of Damocles or a bit like a stay of execution. For us, it doesn't work.

We're struggling to make it work through this recession. Should we put more money into this business now? What's going to happen in five years? We don't know, so the compromises, as well-meaning as they were, that were set out by Metro don't give business certainty. None of us have certainty. The banks won't lend money, partners won't want to invest. There are things we could do—we could expand a rooftop patio—that may make the business more viable today, but they take money and we don't know what to do, because clearly if market value assessment was brought in in 1998 or whatever the date was, we'd be finished.

So what we need is certainty. I don't know how you do that, but we could live with the 25%. If the assessment went up by 25% instead of just having a cap at 25%, we could live with that. Personally, we'd like to see it scrapped. We think the system is so inherently flawed, we'd like to see the whole thing scrapped.

I think I may stop there and take questions, if you want.

The Chair: Fine. We have a couple of questions, beginning with Ms Poole.

Ms Poole: Thank you very much for your presentation today. Earlier in your presentation you made a comment about the impact on your business if MVA came in. You said that your chef and your sous-chef lived in Scarborough, so, yes, they may get a decrease in their taxes but they may well be out of a job.

I think what you were alluding to in that particular statement is that we're not just talking about the health of the city of Toronto; that the health of Metro and, for that matter, the health of the province of Ontario relies on a healthy city in Toronto.

Mr Perruzza: Point of order.

The Chair: Mr Perruzza, I think we'll just continue to ask the questions of the witness. We don't need to keep interrupting.

Mr Perruzza: Just a quick point of order.

The Chair: No, I'm sorry. No, I'm sorry. No. Ms Poole, please go ahead.

Ms Poole: Is it your estimation, if this plan goes through, even with those so-called protective caps, that it will really be irreversible? Is there anything that you can think of that would help save the downtown core when it's obvious that so many businesses would just close their doors?

Mr Cook: Yes, I think there is, Mrs Poole. If instead of placing an assessment against the property that results in a $57,000-a-year tax bill but it's capped, the assessment went up by an amount that would allow the tax to be 25% so that we know we have certainty, we'll live with a 25% increase. If we know that's a certainty and it's not out there that if the cap is removed by Metro in five years or four years or whatever, it comes back here and is removed—it's like a stay of execution.

This is like a stay of execution. If we could have the assessment only go up by 25% so that the taxes only go up by 25% and that was kind of a certain thing, we could live with that. We would invest. I think our bankers would understand that.

Mr Owens: There are some fairly bizarre aberrations that we've heard about as we've gone through this particular set of hearings. One of the things that I'm concerned about as a member who represents a Scarborough riding is that fairness is an extremely perceptual issue, and some of the perceptions we've had from the city of Toronto folks with respect to fairness do not exactly match the perceptions of those in my constituency.

My question is, if this particular plan is not a "fair" plan in the general sense, what type of plan would you recommend, especially for a person like yourself who is in an extremely volatile business? I mean, one week you're a hot restaurant. Two weeks later, after an unfair or a bad review, your business drops off exponentially. What kind of system would suit a business person like yourself?

Mr Cook: I'm not sure I can answer. I guess if there was an easy answer to that, Mr Owens, somebody would have come up with it before now. When I was at Metro I found appealing the idea of a per-unit tax where a 2,000-foot restaurant would be taxed the same anywhere in Metro, because I guess they'd haul away about the same amount of garbage and have the same amount of police protection and whatever.

I think the other thing that is really necessary for fairness is certainty. Here what we have, what we're passing—it's such a compromised situation that we don't know where we'll be. With the assessment resulting in a $57,000 tax, clearly we'd be out of business, so we've got a bit of a reprieve. But you can't do business on reprieve. Businessmen need certainty. There's enough risk out there in the economy and in business itself without having government throw in another big risk that could be fatal.

The Chair: Thank you very much. I'm sure we'd all want to say we hope that a year from now we can still go to your establishment.

Mr Cook: Well, I hope you do.

The Chair: Thanks for coming. We appreciate it.

ROGER MIDDLETON

The Chair: Could I call Mr Roger Middleton, please, to be followed by Mr John Sutt and then Devon Construction. Mr Middleton, welcome to the committee, and please go ahead when you're set.

Mr Roger Middleton: Mr Chair and honourable members, my name is Roger Middleton. I live in North Toronto. I haven't as yet received my assessment notice, but I expect that when I do and I find out what my taxes will be, they will go up. I wouldn't object to that if I felt that the basis upon which my taxes were levied would be fair and the basis was also sound, but having watched these proceedings, I'm not sure that I've changed my opinion that in fact they're not. But I must admit I'm much better informed.

The Metro economy is in trouble. The present system of property taxes doesn't work. It hasn't worked for years, and everybody has known about that. Yet it's bizarre that we as Canadians wait until times are tough before we air our differences. The constitutional debate demonstrated to the world at large that we as a nation have not got our act together. Now we in Toronto are doing the same.

Municipalities across North America are gearing to be competitive. They want to attract business. They want to attract people. Yes, they have divisive issues to settle. They do it quickly and quietly. Let's get this done quickly and quietly so we can get on with focusing on the real job, which is getting this economy moving again.

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I'm concerned that this debate could be divisive. It also could be healing. If we do this constructively, creatively and openly, as these hearings indicate we're doing, then it could be most healing. But if we get mired in disruptive debate, there's no doubt about it: It's going to be extremely damaging to the economy. Let's get on with focusing upon getting to a solution.

It would seem to me that we're debating this issue of property taxes without defining our goals and aspirations. It's almost as though we're putting the cart before the horse. In fact, we do have a plan. The draft plan, entitled The Liveable Metropolis, was issued in September of this year by Metro council. It also defines the goals.

The particular goal we need to concern ourselves with here is what we're going to do about expansion. It says that the council supports the GTA initiatives that discourage expansion of the urban envelope and thereby encourages the effective use of lands already committed to urban development. In other words, we're trying to stop urban sprawl. We want to focus our energies on concentrating on areas which are already developed and not make inefficient use of our resources. That's a clear plan.

It's a well-constructed document, but it doesn't mention education, which seems to me to be quite strange, seeing this is a major area of concern for all of us. It also fails to stress the unique character of each of our municipalities.

If we can agree that urban growth should proceed along the lines of the Metro plan, it follows that the method of property tax assessment should be in harmony with that plan. This is, after all, Metro's own plan. But in fact it's inconsistent. The proposed plan assumes that properties valued the same wherever they are in the Metro area should be taxed the same. This flies in the face of the avowed intention to concentrate. It means that a 20-foot semidetached property valued at $200,000 in downtown Toronto is considered to be exactly the same as a $200,000 detached home on a large lot on the outskirts of Etobicoke, North York or Scarborough.

Much confusion, however, has arisen over this issue. Many speakers have talked about this situation, but they've all failed to differentiate between inequities among assessments within a municipality and assessment inequities across municipalities. One speaker talked of a flat above Yonge and Eglinton which has a $6,000 tax bill likely. She said that she worked there but she had a home in Scarborough on a ravine that would be taxed at $2,900. Councillor King talked about Cabbagetown residences with taxes of $600 to $2,000. She referred then to Seaton Street, North York, with a much higher tax. These are real issues, but let's look to each municipality to solve them.

My concern is more about getting equity between Eglinton and Yonge and Cabbagetown first before we worry about what happens in Toronto and what happens in North York. For that case, we want to consider that properties of the same value within a municipality ought to attract the same tax. There's a consistency there. There's not necessarily a consistency across municipalities.

With this in mind, it's quite possible that a modified form of MVA could work as long as it is applied only within a municipality. If we want to get equity across municipalities, we should look to the tax rate because, after all, there are two elements informing the amount of tax you pay: the assessment and the rate at which the assessment is fixed.

I'm also somewhat surprised that 1988 was fixed as the date for assessment valuation; 1988 was the peak year of the real estate market madness. I don't think I or anyone else needs to be reminded of what we bought our houses for or what we could have sold them for each time we received our annual tax assessment notice. If it's going to be MVA, let's keep it current and iron out the volatility by using the average of a number of years, starting with the 1990s. With computers and Real Estate Institute of Canada statistics, surely we can work something out.

If you agree with this proposal, I would therefore recommend that each municipality, in its own best interests, should right now proceed to determine how it proposes to correct the inequities and anomalies within its own borders and advise its findings to the Metro council and the government of Ontario by the end of this year. Let's get going and let's get something happening so we can at least get justice within each municipality. Once that has been done as a first step, we can look at the intermunicipality issue. Let's do one thing at a time.

If we're going to look at this intermunicipality issue, we have to look at the balance of power in Metro council. Within Metro council, the balance of power now lies with the three outer municipalities, Etobicoke, North York and Scarborough. The inner municipalities, York, East York and the city of Toronto, are outvoted. If the greater Toronto area is taken into consideration, the issue of the real balance of power is more uncertain. In this situation I believe it is important that a grand strategy to promote fairly the interests of all constituent parts is agreed, and maybe the Metro plan is a good move in this direction.

However, because of the population involved—it's now 4.2 million in the GTA and 2.3 million in Metro—and the growing decentralization of power in this region, it is increasingly important that the provincial government take on the role of mediator and, if necessary, arbitrator.

Council members most always tend to vote in the interests of their constituents. It would be unreasonable to expect them to do otherwise. Accordingly, I am not sure that in these circumstances I can agree with the minister's view that he should not, as a matter of course, interfere with the decisions reached by the democratically elected members of the Metro council.

Accordingly, once the issue of valuation inequities in each municipality has been resolved, I would then propose that the government of Ontario, in conjunction with all councils in the GTA, seek to harmonize the entire region's property tax structure to ensure both the efficient delivery of education and other social services, as well as the orderly growth of the region as per the Metro plan's basic reurbanization concept.

In conclusion, I would like to say that the free trade agreement has created a continental municipal competition for business. This is not a time to create uncertainty in investors' minds. There is already enough to go around. Let's get this solved quickly. Let's take one step at a time. Let's focus our energies on increasing the size of the pie rather than dividing the one we now have.

A creative resolution of the present tax impasse may require that any property tax structure that is put in place should be in harmony with the overall goals agreed by all councils in the GTA, encouraging and rewarding those that add value to the region by their actions. It should assist in job creation possibilities with existing businesses. It should support those enterprises, promoting and building the skill levels of GTA residents. It should support the creation of new and the attraction of existing business and cultural activities into the region.

The task here is to seek to unite ourselves in community to face a hostile world and to ensure that the greater Toronto area stays the best urban environment in which to live, work and play. If we can focus our minds on the broader goals and have a much clearer idea about the things we can all agree upon, it becomes much easier to resolve the issues that divide us. After all, we're all in this boat together.

The Chair: Thank you for your presentation. Two questions, if I could just ask that they be short and sharp. Mr Owens and Ms Poole.

Mr Owens: This is not a question, just a quick comment, Mr Middleton. Thank you for your thoughtful and cogent presentation.

The issue with respect to irregularities within municipalities is one that I've found passing strange myself, that there's been no attempt at resolution of these issues. I look at my own street. I pay somewhere in the neighbourhood of $2,600 a year in property taxes in Scarborough, but a person across the street with a similar-sized lot, same number of bedrooms etc pays $1,600. This is an issue of equity, in my view, as well. I appreciate the most positive way that you've brought this issue to this committee.

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Ms Poole: Mr Middleton, a particular welcome to the committee since I believe you are my constituent. I very much appreciated your thoughtful and constructive approach here today.

You've brought up an issue not too many people have, which is that we really have inequities within a municipality right now. I do believe there are people in Scarborough who are paying too much tax. I also know this is true of other municipalities as well.

Mr Perruzza: There are people in the city of Toronto who are paying too much tax.

The Chair: Order, please.

Ms Poole: Yes, there are people in the city of Toronto who are paying too much tax.

I would bring two things to your attention. The first is that I believe it was in 1989 the previous government made an offer to the municipalities within Metro that if any of the

municipalities wished to go ahead and do an individual section 63, they could.

Scarborough, for instance, would have had that opportunity but did not want to, and the reason is that, even more contentious than the inequity within municipalities has been the issue of apportionment, what should each municipality contribute into the Metro pot?

I think that's where the real rub is, that solving the problems and the inequities within a municipality would not increase the amount a certain municipality would put into the pot, and some municipalities believe the city of Toronto should be paying more than we are right now.

Mr Middleton: I think the answer to that is, first, let's solve the inequities within each municipality by using a market value assessment basis and let's run it from 1990 onward. The issue of how much each municipality subscribes to the needs of other municipalities can best be resolved by adjusting the rate at which properties are assessed.

In other words, let each municipality decide what's fair within the municipality, but the council and the provincial government can ultimately override a municipal council on the issue of the rate. That will certainly change the amount of taxes that are supplied to the system by each municipality.

The Chair: Thank you very much for coming before the committee this afternoon and for your suggestions in the presentation.

Mr Middleton: Thank you, Mr Chair.

JOHN SUTT

The Chair: I now call Mr John Sutt, and after that Devon Construction, and if he's here, Mr David Moll would be after that. Mr Sutt, welcome to the committee.

Mr John Sutt: Good afternoon. Mr Chairman, distinguished panel, my name is John Sutt. I'm looking in front of me and wondering what I'm doing here. I have a bad cold, a head cold. What I had originally written I don't have because I was sick in bed for four days and the person who had my deposition I can't get hold of.

I rewrote something this morning, and actually, as I was watching the news on CBC this morning, I saw that 12,000 businesses in the past year closed down in Canada. It occurred to me, why should I strain my brain to rewrite another deposition to go to deaf ears? Anyway, as I said, 12,000 businesses in the past year went bankrupt.

The Chair: Mr Sutt, could I just ask you—we're going to recess for just a few seconds. We're having a problem with the mike and we just need to—

Mr Sutt: Do you want me to move over to the next one?

The Chair: No, we'll just hold on for a sec here. There, by the miracle of modern technology, I think we're okay now. Please, if you want to just start your text.

Mr Sutt: Anyway, as I said, after all, only 12,000 businesses in Canada in the past year went bankrupt.

To save some time I'm not covering or questioning how the assessments were done, whether they're right or wrong, the year chosen, how it affects real estate or how it affects one's equity or whether MVA is the right system or not; instead, on how our belief in our system of democracy is put to question in that a large proportion of Metro does not understand how MVA will affect them. It's hard to believe, but it's very true, and with no impact study done to see how this new tax proposal will affect the many communities which make up Metro, and, to boot, we are not waiting for the report of the Fair Tax Commission, which was enacted by the NDP to study taxes.

The reason the NDP is in power is the voters believe that we should give you the opportunity to prove that fairness prevails. But, as we see, the usurpers always choose times of panic to enact, in the atmosphere of general panic, laws which the public would never adopt when passions were cool.

Mr Perruzza: On a point of order, Mr Chair: I'd like to know what "usurpers" means.

The Chair: We will have a period for questions. You can ask then.

Mr Sutt: Usurpers are when you've got groups of people like—

The Chair: Mr Sutt, there will be time for questions, if you want to make your presentation, please.

Mr Sutt: I guess one of the surest ways of distinguishing the work of a lawgiver from that of a tyrant is to note the moment he chooses to give the people its constitution.

Any questions you want to ask me?

The Chair: Have you concluded your remarks?

Mr Sutt: Yes. That's all I have to say.

The Chair: Okay. Mr Perruzza?

Mr Sutt: Everything else has already been said. We know the figures. We don't need to regurgitate that any more.

The Chair: Fine.

Mr Sutt: The reason we have people here is because obviously justice was not done in Metro council and isn't about to be done there.

The Chair: Fine. We have time for one question. Mr Perruzza?

Mr Perruzza: Just to lay out my position, I agree that market value is not the fairest form of taxation, because obviously it bears no relevance to ability to pay. But because we have a market value system now, I have to tell you I completely and totally disagree with opposition to this plan. I believe that it brings some fairness across Metropolitan Toronto.

Yes, some people in North York will see property tax reduction; yes, some in Scarborough; yes, some in the city of Toronto. There are unfairnesses in the city of Toronto now with the newer properties, the properties that have come on line. That's the issue. The issue is old versus new, and to me it makes no difference. We all live in this metropolis. We should all, under the current rules, pay as fair a tax as you can possibly get.

Under a market value system, Metro has taken a very courageous decision and a little step forward, and I support that courageous decision and that little step forward. So I disagree with you, and I'm not going to ask you what "usurper" means.

The Chair: Thank you, Mr Perruzza. Mr Sutt, do you wish to just have a concluding word?

Mr Sutt: Well, a concluding word is that any time there's a tax increase on a population, especially the time when we call it a recession—this is not a recession. Some people say it's going to correct itself in the next year. I have my own doubts on that for a lot of reasons. I have doubts on why it won't correct itself.

You know, 1990 was the year of the end of the cold war. Some 50% of the western world's production was geared towards the cold war, and we haven't made that adjustment yet in the western world. So all those production facilities—people say, "The recession is over." The recession is not over. It's far from over. To make that adjustment, you're talking at least eight or nine years in readjusting all those factories that were producing equipment for the western world for the cold war.

To come in with a tax at a time when you've got a depression in the city of Toronto—those retailers, the ones who are still in business, are just hanging on there with their teeth. I've probably talked to about 4,000 of them.

Mr Perruzza: It's happening everywhere.

The Chair: Okay. Order, please. Order.

Mr Sutt: Yes, it's happening everywhere.

The Chair: Mr Sutt, if you'd just be good enough to conclude your comments.

Mr Sutt: My comment is it's a bad time; it's the wrong time.

The Chair: Thank you very much for coming before the committee this afternoon.

1530

DEVON CONSTRUCTION
KINGBEACH CORP

The Chair: I now call on the representative from Devon Construction, Kingbeach Corp. Welcome to the committee. You've been waiting patiently.

Ms Julie DiLorenzo: Thank you so much for the opportunity to speak.

The Chair: If you would identify yourself for Hansard, please.

Ms DiLorenzo: My name is Julie DiLorenzo. I've run a construction development company for the last 11 years in the city of Toronto. I'd like to start by reading a letter that I've distributed to various members of Parliament, which will give a brief overview of the concerns I have regarding—

The Chair: Excuse me, do we have a copy of that letter?

Ms DiLorenzo: No, you do not. I will fax one tomorrow morning. It will give a brief overview of concerns I have regarding market value assessment and jobs and other intrinsic circumstances that'll result.

The implications of market value assessment on the abovenoted lands—in particular, it's 56,000 feet of land at St Clair and Yonge Street—will impair permanently the viability of development. The 1988 values ascribed are ridiculous and without foundation, even for 1988. Case in point: there is not one development that has been successful in the city of Toronto whose end value is based on 1988 land values.

These projects, lands, have either been repossessed by the lender, with the result that the developer and the institution are in serious financial trouble, or the price of the land purchased in 1988 in the city of Toronto prohibits a viable project today and, most likely, for the next five to seven years. So any lands purchased in 1988 will not be able to create jobs because they will not be economically viable, I predict, for the next five to eight years, and there's substantial research to give credit to that statement.

The development on the abovenoted lands, without exaggeration, would create, directly and indirectly, thousands of jobs in the construction industry starting in the spring of 1993. Moreover, this project would provide approximately 270 housing units, of which 70 units would be non-profit cooperative units, 25% of the remaining units would be affordable and the balance would be free-market condominiums. Importantly, it is a city of Toronto landmark site. The effects of the tax assessment under market value assessment will cause abandonment of projects like ours. It would create ghettoization in a prominent, important focus point of an international city.

The cultural, sociological, short- and long-term implications are profound. De-urbanization, similar to the existing situation in Detroit, would occur. The city of Toronto would be habitable only by the rich and the very poor. This is unacceptable.

In June of this year I was invited to and attended an international urban marketing conference in Turin, Italy, where world cities battled for their place in the future, both culturally and economically, by showing that their cities were the place to work, live and play.

Has anyone noticed that the city of Toronto's cultural institutions are suffering? Events which would be successful in other cities of international stature are not being attended to capacity, while the suburbs are creating their own new forums. Market value assessment will prohibit future growth and intensification in the city of Toronto by stopping the development of vacant land.

The city of Toronto, small at 635,000 people compared to Winnipeg at 616,000 people, cannot work as a city without intensification. Existing businesses will close, not only because of the direct impact of market value assessment, but because the necessary threshold of viability supported by population will not exist, as intensification will not occur and our existing residential population will destabilize. The basic service infrastructure, such as public transit, will be strained further. This will also have serious effects on the environment and other areas.

Again, I reiterate that market value assessment will kill this development. The proposed tax increases on this vacant land are exorbitant, and we do not have the facilities to pay them and no income to offset against. There are very few projects at this time which have the ability to proceed and create work in the city of Toronto, and the loss of this project would add further to the tragic work situation in the construction industry at this time. I'm sure everyone is aware that the construction industry is the second-largest employer in Ontario.

It is completely false to say that vacant land has value based on its potential, as the recession of 1990, 1991 and 1992 has made it clear that potential is a vulnerable and precarious state. You must work towards saving the city of Toronto and eliminating the effects of market value assessment on vacant land.

I'd like to further proceed by quoting from various papers which were given in Turin, Italy, in April of this year at the urban marketing conference. Some of it will be philosophical and some of it will be technical.

Critical to the success of a prime city and its surrounding boroughs and cities is perception and image of the status of the life. Its dynamics, its workings, its ability to provide a good living environment, work environment, and avenues for recreation are fundamental to the stature of that city. I argue that the damage to these elements by market value assessment will accelerate the dog-eared image of the city of Toronto resulting already from this severe recession.

At the urban marketing conference in Turin, Italy, every paper or discussion given discussed the promotion of its city. In almost every paper, the issue of tax burdens was discussed and the overwhelming conclusion was that tax burdens hinder prosperity, growth and development.

I quote from Wilfried Kaib in a paper entitled Urban Marketing: "The concept of urban marketing brings into focus the city as a product: not only the built city—its buildings, materials and infrastructures—but also its image; besides the valuation of its history, cultural and aesthetic values.... Perceived in this way, the city gives the cultural identity to the region and its inhabitants."

I argue that the damage done to the city of Toronto, with boarded-up businesses, with land that remains vacant in prominent sites, will have effects to the peripheral areas, not only to the city of Toronto. So the areas that may benefit from tax reductions will be hurt by a sick prominent city.

The world, because of vastly improved communications, must be viewed as an international entity. I quote from a paper by M. Lyons and A. Parsa: "Fierce competition for the role of leading financial centres has evolved."

Image is critical. We often receive letters from mayors of American cities offering preferred tax status or no tax status to relocate in their cities and build in their cities. The message here is different. Urban marketing and development of cities means the cooperation of public and private sectors.

I quote from Professor Gastone Ave, from the politecnico of Turin, who gives an example of promotion of cities to businesses internationally:

"Outside Europe, I would just highlight the case of Virginia in the United States. The governor's office has created a department of economic development which runs two branches, one in Brussels and one in Tokyo. This department aims to 'effectively serve people on a worldwide basis' and yet promises individual assistance in describing 'candidate Virginia locations as well as the necessary procedures associated with establishing a facility'" in its cities. The department is pursuing a one-to-one approach. The importance of this is that they're promoting their cities to the world in order to gain investment from an international market.

I'd like to discuss the precarious nature of potential; "potential" is how they are gauging the value of these lands. The 1988 value in particular of these lands, at 56,000 feet, is $30 million. I would be most pleased if someone would come and pay me $30 million for these lands.

Potential is a very precarious state. I quote from Barry Lyons, who writes a book called Urbanation, and it's the edition of October 1992. "The overall market remains in state of uncertainty and imbalance.... Prices of new units continue to decline. The city of Toronto is down 8%, suburban markets down 4%."

I quote these two figures, because it shows that the sales values that were being earned in the city of Toronto are down substantially, proportionate to the decline in the values in the suburbs, and the earliest losses were much more severe in the city of Toronto. The decrease in prices is proportionately more severe in Toronto.

I quote again. He says, "The downward adjustment in new sale prices will render many proposed projects uneconomic, minimizing new projects."

Another quote I give you regarding the precarious nature of potential is: "A common mistake is to think that one can first produce a good design plan, then in the later stage implement it. But what is the implementation of a plan if not the successful search of households, business firms and institutions willing and able to invest in a given city?"

Therefore, although the market value assessment may value this land at $30 million, unless I can sell condominiums, it's very difficult to sustain a value of $30 million. I argue that in 1988 if the value was $30 million, the price per foot of the condominiums should have been $600. Not one sale ever occurred in that price range, and condominiums that were selling for between $300 and $400 are now reselling at $180 per foot.

I quote again from Professor Gastone Ave: "The image of cities is more and more related to the quality of the urban environment as well as to the presence of cultural traditions and technological centres.... The historical heritage of most European cities is extremely rich and diversified, so that it forms the basis for a high-quality environment which can be viewed as a marketable asset."

If the city of Toronto continues to have the dog-eared image if businesses begin to close, it would no longer be an asset to attract investment, not only to Toronto but to the peripheral area. I quote from Wilfried Kaib, another professor who attended the conference: "We must also...anticipate the needs of the later users, as the potential difficulties in the process of realization are great." Therefore, potential on development cannot be gauged at its raw land value.

I'll give you an example. The planning application for the rezoning of this site began a year ago. During the year, we had enormous costs of carrying the land—a substantial amount of money goes to paying consultants to design projects that are viable—and after a year we got a negative planning report. If I had had the burden of a $500,000 tax due to a $30-million value based on 1988, which was not even realistic, I would not have been able to proceed as far as this year. I will definitely not be able to proceed next year.

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In summary, the difficulties in redevelopment are many. The lack of success of the previous stars of the industry proves this. The process is as follows: land acquisition, design, the hiring of consultants—in particular, I'd like you to note that we are a small developer, and last year, we received a letter from a very prominent architectural firm that went something like: "We hear you're the only active participant in the market. Will you give us a chance for work?" This is a reflection of the environment. Then there's the rezoning process,

the marketing, the financing, the construction and the occupancy.

Each of these areas has its own parameter of risk. For example, a rezoning process is long and includes enormous expenses of legal fees, design fees etc, and all the while carrying costs continue. The added burden of a $500,000 cost is just not bearable.

If one sells a product, then there are the risks during construction. After construction, there is the risk of the realized purchaser. Many of the units that were sold in 1988 and 1989 are not being closed by purchasers and remain vacant. The burden of taxes without income while the land is nonproducing and in fact costs the owner vast sums of money is inappropriate and unfair. Case in point: the lands we own were valued at $30 million for 56,000 feet. Even in 1988, it would have meant that condominiums would have had to be sold at $600 per foot.

If the province of Ontario is interested in jobs, eliminate the tax assessment based on 1988 values on vacant lands. If the province of Ontario is interested in the health of Ontario, review the serious impacts of market value assessment on the fabric of the city of Toronto. Experts over and over again understand that the economic wellbeing of the city of Toronto will reflect on the surrounding areas and the rest of southern Ontario like an insidious illness. Thank you.

The Chair: Thank you for both the philosophy as well as the technical comments. We have two questions. Mr Perruzza and Ms Poole.

Mr Perruzza: Thank you for the very well-put-together brief you've submitted here today, both on some very interesting planning principles and on your own particular situation. I think what I heard from you—please correct me if I'm wrong—is that there's something wrong with our property tax system and with property taxes in general, if I can expand the issue a bit and make it a little broader. Is that what I heard?

Ms DiLorenzo: I'm not arguing that there are inequities right now in the system. What I am arguing is that the impact, particularly of something that affects us, will hinder the creation of jobs for a project that is viable today. Actually, it will end the whole process of the development, so the effects of market value assessment on this land, if implemented, will stop the development dead in its tracks.

Mr Perruzza: Do you think property taxes should be reformed in general?

Ms DiLorenzo: I'm not an expert on property tax assessment. I do realize that there are inequities in the system. What I do know—again, I reiterate—is that the impact of market value assessment on this vacant land will stop the project.

What I'd like to add to that is that this project would not need any government financing, unlike many of the projects that are on the way right now. Again, to show you how unequal the value is, if you take the 1988 value, the Ministry of Housing has a certain amount it pays per unit for Ministry of Housing developments. The price is very consistent, whether it's in the city of Toronto or in the suburbs, which would argue that the value of vacant land is not dissimilar in the city of Toronto or the suburbs. That's based on the precedent of prices that the Ministry of Housing is paying today.

Ms Poole: Thank you very much for your presentation today. I hope you can hear me over my cold. You raised the issue of the project that will be killed because of Bill 94. The reason that project will be killed is because vacant land has not been subject to the same cap as other commercial or industrial properties.

Ms DiLorenzo: That's correct.

Ms Poole: Just for your information, I wanted to tell you that we had Metro Councillor Scott Cavalier, who's one of the architects of the Metro plan, before us on Friday. One of the questions I asked him was the rationale for not extending the cap to vacant lands, railway rights of ways, transportation and utility corridors and those having grants in lieu. The answer he gave me was that there was no rationale other than that it was a political decision: "We needed to find extra money somewhere in order to cobble this political plan together." As to having a rational reason, or any type of reason, the only reason was political.

If this affordable housing development is killed, how many jobs will be killed with it?

Ms DiLorenzo: Again, it's not just the affordable housing component. There will be 270 units in an affordable range, which will promote people who have never been able to live, for example, in this area; it will be very affordable prices. So many jobs, I would argue thousands of jobs, because the offshoot of the direct construction in, for example, the production of materials is enormous. One project of 100 units, for example, could easily employ 500 people directly over its life; indirectly, it amplifies enormously.

The reason, possibly, that no argument has come forward against the tax on vacant land—and as you said, there has been no rationale— is that quite seriously I've been, like most developers, fighting very hard for survival, trying to create work. As I mentioned, an architectural firm wrote to us saying: "You're one of the only people trying to create work. Give us a chance." I haven't had a chance yet to fight this, and now I find it of very critical importance. It will stop all the work I've done so far in its tracks.

Ms Poole: So it's your opinion that if Bill 94 goes through, there will not be new construction, there will not be a development on those vacant lands, that they will remain vacant?

Ms DiLorenzo: That's correct. Our case in particular is that we are a small to mid-size developer. Possibly the impact has been ignored because other entities that own vacant land are enormous and possibly are corporations that are publicly owned. The impact to small developers and mid-sized developers will be severe.

The Chair: Thank you very much for coming out today. We appreciate it.

TORONTO BOARD OF EDUCATION

The Chair: I now call the representatives from the Toronto Board of Education. Welcome to the committee this afternoon. Would you be good enough to introduce the members of the delegation.

Ms Ann Vanstone: Yes, I will. I'd like first of all to bring the apologies of our chair, David Moll, who wasn't able to shift his schedule at the last minute. I'm Ann Vanstone,

chair of the education finance committee at the Toronto Board of Education. This is Linda Grayson, our associate director in charge of operations and finance, and this is Ron Trbovich, our comptroller of finance.

The Chair: Welcome all.

Ms Vanstone: We do appreciate the opportunity to come this afternoon and the fact that you people have given up a Sunday afternoon to deal with what is for many of us a very difficult issue.

The Toronto Board of Education appreciates the opportunity to appear before the committee and present its views on Metro council's market value reassessment proposal, the enabling legislation for which is proposed in Bill 94, the Metropolitan Toronto Reassessment Statute Law Amendment Act, 1992. Beyond this, the Toronto Board of Education seeks this committee's consideration and support for three amendments to Bill 94 in the knowledge that, in spite of the significant and valid opposition to this reassessment scheme, the NDP government has declared its support for it and will ensure its passage into law next week.

Rest assured, as just an off-the-cuff comment, that the Toronto Board of Education, as one of the taxing partners in the city of Toronto, seriously objects to this reassessment scheme which leads to a reapportionment of taxes that shifts to the city of Toronto a considerable reapportionment and punishes the city of Toronto because it has a higher density than the other cities in Metro have chosen to have.

Also recognize that the city of Toronto has struggled as a board of education for some years to ensure that its downtown schools remained viable and delivered very good education to the children in the city of Toronto, so much so that people visit from all over the world, most particularly from large cities in the United States, whose inner cities have died largely, I think, because they've been based on a market value assessment thing. All of that, we want you to take as given. What we wanted to come today to talk about is some specific, technical amendments that for us are extremely important.

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The Toronto Board of Education has two specific concerns, one of which bears on the unfairness of taxing property on the basis of market value, and the other of which involves a transfer of governance to the Metro council level and the impact of that on our city and its communities.

The committee has heard many reasons why this reassessment scheme is untimely and simply wrong. At this late hour of the day, I'll spare you the pain of enumerating the valid arguments and facts that underscore the unfairness of this reassessment scheme on the ratepayers of our city.

In terms of governance, however, Bill 94 represents a radical and strategic shift in power from the area municipalities to the Metro level of government. This reassessment scheme, as proposed in Bill 94, impacts on the economy of our city, the land use policies of the city of Toronto through the manipulation of property tax class burdens, and the financing and ultimately the delivery of local services to people and property. In the Toronto Board of Education's view, this governance issue has not been addressed. The citizens of our city have not been consulted in this matter. Their locally elected councillors and trustees have not been given any opportunity to comment on the future governance of their city.

Indeed, Bill 94 does not provide the Toronto Board of Education nor any other school board in Metro the opportunity for any input on future reassessments, even though the Toronto Board of Education and other boards are property taxing authorities. Recognize that of all property taxes raised in Metropolitan Toronto, the education system uses 52% of it. As taxing authorities, we have not been consulted on this whole issue.

The Toronto Board of Education recommends that Bill 94 be deferred for one year pending a review of the matter of governance within Metropolitan Toronto.

In this regard, it is expected that the working group on property assessment and taxation of the government's Fair Tax Commission will be reporting its findings this week, some of which will have direct relevance to the proposed Metro-wide reassessment scheme.

Given the intent of the NDP government to pass this bill, the Toronto Board of Education recommends that subsection 241.1(5) under section 8 of the bill be amended to provide for the involvement of all property taxing authorities within Metropolitan Toronto, including school boards, in the development of a reassessment plan for the Metropolitan area for the years 1998 to 2002, inclusive.

As you are aware, section 8 of Bill 94 includes amendments to the local levy provisions afforded area municipal school boards. It should be noted that the Toronto Board of Education has been the only board within Metropolitan Toronto to impose a local levy of 2.5 mills on its ratepayers. That's a legislative cap on our ability to levy locally. This local levy is additional to the education mill rate that is struck by the Metropolitan Toronto School Board.

The Toronto Board of Education's local levy has been used to hire additional elementary school teachers to address the special education needs of Toronto children in their formative years and to provide additional funding to Toronto secondary schools to help students stay in school to complete their education. As well, the local levy—

The Chair: There are some glasses on the side. This room is particularly dry and I think all of us have been coughing during the course of—Mr Turnbull is coughing in empathy.

Ms Vanstone: I'm really sorry. I've probably got the sorest throat in the world.

The Chair: That's quite all right.

Ms Vanstone: The local levy has also been used to fund the high cost of maintaining Toronto high schools. You'll recognize as you drive along our streets that they're among the oldest in Ontario.

The Toronto Board of Education recommends that section 6 of Bill 94 be amended to provide for the increase of the local levy provision from 1.5 mills, elementary panel, and 1 mill, secondary panel, to 1 equalized mill for both panels.

An equalized mill would significantly increase the Toronto Board of Education's local levy tax capacity, although its application would be prudently constrained to meet specific objectives consistent with our ratepayers' objectives.

In support of this request, it should be noted that the amendment would greatly enhance the Toronto board's ability

to raise funds locally for community-based school programs, an example of which is our financial commitment of more than $500,000 to school nutrition and breakfast-lunch programs in selected elementary schools. While our board is committed to expand this program to all elementary school children, it cannot do so within the constraints of a very limited local levy.

The local levy provision of 2.5 mills was enacted 25 years ago, at which time the amount it would generate was deemed sufficient. In the 1970s, it was further constrained in its application to the number of non-formula Metro teachers who could be funded for local purposes.

The Toronto Board of Education is not requesting that the limitations around the number of local levy teachers be amended. Rather, the board is seeking additional flexibility to fund programs not recognized for funding purposes at the Metropolitan Toronto School Board. Beyond this, it should be noted that our request for this amendment would not preclude the sharing of more than 30% of the proceeds of Toronto's local levy with all other public area school boards, as well as ensuring that this provision will not adversely impact on other ratepayers in Metropolitan Toronto.

As the committee members know, subsection 241.9 under section 8 of Bill 94 provides for the explicit sharing of revenues from payments in lieu of taxes among the Metropolitan corporation, the area municipalities and the school boards. What committee members may not realize, however, is that this section of the bill does not provide for fair sharing of these revenues with school boards.

Specifically, where area municipalities apply the education mill rate to federal properties, and they have been doing this since the 1950s, this bill does not obligate the area municipalities to remit the education portion of these revenues to school boards. In other words, municipalities collect money from the federal government in respect of education and do not remit that money to school boards.

In this way, area municipalities have for years been able to understate their respective mill rates by offsetting revenues generated by school board mill rates on federal properties. This practice is unfair and undermines full disclosure of mill rates raised by locally elected officials and their accountability for the same to their ratepayers.

These federal payments in lieu for school purposes are in fact part of the school board's assessment tax base. Currently, the shortfall has to be made up by higher education mill rates. In the city of Toronto this does not affect total property taxes raised. Rather, it overstates education taxes and understates municipal taxes.

The Toronto Board of Education recommends that sections 241 and 241.9 under section 8 of Bill 94 be amended to require area municipalities to share federal payments in lieu with school boards where an education mill rate is applied in the payment.

It was most unfortunate that the Toronto Board of Education was not consulted in drafting this bill. We wrote to the minister, the Honourable Tony Silipo, on November 18, 1992, to advise him of our request for changes to the local levy provisions contained in this bill and the fact that we had not been consulted in its drafting. To this date, the Toronto Board of Education has yet to receive the minister's reply to its request, although we are confident of the minister's support.

In conclusion, the Toronto Board of Education strongly recommends that Bill 94 be deferred so that a review of its implications on governance can be fully addressed. If the government is intent on its passage into law, then the Toronto Board of Education requests the committee's consideration of our recommended changes to Bill 94.

I might mention, in addition, that the provincial government pays no property taxes in respect of education to municipalities on the grounds that it pays a provincial grant in respect of education. As you are aware, I'm sure, in Metropolitan Toronto the provincial government pays no grants in respect of education. Therefore, I think at some point in the future or at some point in any case, we should be looking at that.

We feel, as a school board, that we pay provincial taxes on all our supplies. We have no relief. Since we have no grants from the province for education, perhaps it's time they started looking at provincial payments in lieu.

1600

The Chair: Thank you very much.

Ms Vanstone: Sorry for my coughing but I really have got just the worst sore throat.

The Chair: That's quite all right. At different points in the hearings, we've been having those problems. Thank you for your presentation and also for the interesting thought at the end. I'm sure it will warm the hearts of all treasurers. If we could move to questioning, Ms Poole.

Ms Poole: Thank you very much for your presentation today in bringing forward a whole new—

Ms Vanstone: I thought it might be.

Ms Poole: —problem with the assessment. I'd just like to start by saying that if the Toronto Board of Education can't get a reply from Tony Silipo, then I don't know who could, since I believe he was former chair of your board.

Ms Vanstone: Yes, indeed.

Ms Poole: We hope he's going to bat for you. I have two questions. First of all, would other boards of education within Metro agree with the three amendments you have proposed?

Ms Vanstone: Certainly they would agree with the one around federal payments in lieu. There should be no reason for them not to agree with the equalized mill. Although Toronto has a larger tax base, the legislation that we deal with equalizes the tax base in respect of this for all school boards in Toronto. This has not been discussed by the Metro board, although the federal payments in lieu have been discussed; the rest of it hasn't.

The equalized mill: It took a long time. It's a difficult situation that we're in because whenever the Education Act is changed for certain reasons, for it to apply to us there has to be companion legislation in the Municipality of Metropolitan Toronto Act. The equalized mill, in respect of building capital projects in the province of Ontario, applied to all school boards, starting, I think, in about 1981 or 1982. They didn't put companion legislation in place for Metropolitan Toronto until 1987. What we're saying now is that there also should

be the amendments to that act that give the local boards the ability.

Ms Poole: Mr Chair, before I go to my second question, perhaps I could make a request of the Ministry of Revenue that it give us an analysis of these particular amendments and what the impact on municipalities would be and the viability of including them in the legislation.

The Chair: So noted.

Ms Poole: Thank you. My second question is for Mr Trbovich who's led a very interesting life, being one of the bright lights within the Ministry of Revenue for many years, and then shifting over to try to figure out finances in the Ministry of Education.

Interjection: Actually, he was shedding his light in Education only.

Ms Poole: Oh. I thought he was the guiding light also in Revenue before then, but maybe he wouldn't define himself in those terms. Now he's with the Toronto Board of Education in a capacity of—Ann repeated it twice. I think it was finance director or—

Ms Vanstone: Comptroller.

Ms Poole: Comptroller. That sounds even more important.

Ron, with your background in assessment and dealing with education financing, all these various aspects, when you look at Bill 94, does it bear any resemblance to what the provincial governments over the years, whether it be Conservative, Liberal or NDP, have asked for in future?

Mr Ron Trbovich: Thank you for the question. It does in only one respect, in that it uses market value as the basis for the scheme. Beyond that it is very much a departure from anything that has been contemplated previously—or introduced, for that matter.

You may recall that back in 1979 this measure was introduced at the local municipal level as a stopgap measure, clearly a temporary one, to address the more glaring inequities one finds within a municipality. The extension of it to a Metro-wide basis was a development that had most application in those regional or county situations in which there was a uniformity of property types. In other words, in Muskoka it was primarily residential cottage country; in Grey and other areas it was primarily farming communities.

Here in this city, in a large urban context, we have the first example of trying to impose this kind of scheme in this dynamic. Beyond that I don't wish to comment, because I have not studied the specific impacts, mostly because the Toronto Board of Education, being a significant taxing authority, has never received that kind of information or briefing or interest from either the Ministry of Revenue or the Metro corporation.

Mr Robert Frankford (Scarborough East): Thank you for coming. Of course, it's very important to look at the educational aspect because it does take 50% of the tax revenue. Could you elaborate on the input, or lack of input, that you and the other school boards have had with Metro in the preparation of the bill?

Ms Vanstone: The city of Toronto had a property tax reform group and invited the Toronto Board of Education to send a representative to that. I think that's been in existence, Linda, for three years, maybe?

Dr Linda Grayson: Even longer.

Ms Vanstone: So we have had a representative on that. At Metro there has been no representative, and there has been no representative of the Metropolitan Toronto School Board; I'm also a member of it. There has been no representation from that school board on any property tax reform. The city of Toronto had a member of our board on the drafting of this legislation.

There are some very specific changes, quite dramatic changes, that have to do with the way taxes are collected by school boards in Metro Toronto. There has been no consultation with the local boards of education. I believe the director of the Metropolitan Toronto School Board was shown a draft two days before it was brought to the Legislature. He made some recommendations. He had no ability to consult with his trustees, nor was there any consultation with the local boards of education. We find this quite a dramatic shift, and one of our very real fears in governance is that there will only be one board of education recognized in Metro Toronto. We don't think that would work.

1610

Mr Turnbull: Ann, good to see you, as always.

Ms Vanstone: Good to see you, David.

Ms Poole: Doesn't politics make strange bedfellows?

Mr Turnbull: We're almost joined at the waist in this matter.

Ann, I know you personally have been opposed to MVA for a long time, and I'm pleased to see this brief. You've brought out some excellent points that I was not aware of.

I would like to bring out a little more background on the question of provincial payments to the Metropolitan Toronto School Board. I would say the Conservatives gave a rather moderate amount of money to the metropolitan school board, then the Liberals took it away completely, and the NDP campaigned that they were going to significantly increase the amount of money the province would pay, but they haven't delivered on it. So now we've established that we're all bad.

Can you just talk a little more about the fact that you said the province is not paying anything in lieu for its buildings in the municipality, yet at the same time is giving no tax benefits to Metropolitan Toronto for education?

Ms Vanstone: I'd first like to say that I would not like to be charged with being partisan politically in an answer to this statement. I believe any party in power at Queen's Park at this point in time would find itself in the same position that the present government does.

The assessment base in Metropolitan Toronto is such that when the province tells school boards that they have to assign a certain mill rate to their tax base as their part of the general legislative grant, their part of the cost of educating kids—or what the Ministry of Education has deemed the cost of educating kids, which I believe everyone in the province says is too little—when it's applied to the assessment base in Metropolitan Toronto, it does not leave room for grants; it produces, indeed, a negative number.

We believe that negative number occurs because all of the school boards in Metropolitan Toronto, like all other school boards in the province, are trying to deal with a general legislative grant that is far too low, considering the programs that have been imposed on school boards. So the boards of Metropolitan Toronto get no grants, not even for their special programs like English as a second language and special education.

We did leave a bundle of briefs for you, didn't we? In that you will see that in Metropolitan Toronto public schools, we have almost all of the ESL in the province, or at least a large percentage of it, and special education and inner-citiness. Metro Toronto receives 62.6% of the new immigrants to Ontario. It receives an estimated 55,445 new immigrants a year: 97% of those immigrants are unable to speak, read or write English.

Mr Turnbull: Did you say 97%?

Ms Vanstone: Yes, 97%, and we are required to provide English as a second language instruction for those people.

Mr Turnbull: So we're getting virtually no immigration of English-speaking people?

Ms Vanstone: Not at the moment.

Mr Turnbull: And 67% of Ontario's are coming to Metro Toronto?

Ms Vanstone: Of the new immigrants to Ontario, 62.6% come to Metro Toronto. Mississauga receives 6%, Ottawa receives 4.8%. Of the total of 55,445 new immigrants a year, 97% are unable to speak, read or write English.

Mr Turnbull: Could you answer this? Do you have any indication as to the total dollars that are entailed in the federal payments in lieu that are made to the various municipalities of Metropolitan Toronto with respect to education?

Ms Vanstone: It's in the millions, Mr Trbovich says. We don't know. There is one thing you should know, that this year, for the first time, there is a program called LINC—which stands for Language in New Canadians, maybe? I don't know. In any case, for the first time the federal government has recognized that there is an edge to the ESL problem that is theirs, so for the first time we have received some money, an infinitesimal part to what we pay.

The only money we got last year from the province was for students who enter our hospitals and institutional schools, who are educated under that program, who are non-resident in Metropolitan Toronto. In other words, it's almost a purchase-of-service arrangement: The Toronto Board of Education provides programs for the province in hospitals and institutions. We went to them with a legal problem we had a few years ago that said we had a legal difficulty using Metropolitan Toronto tax dollars to educate non-resident students. I gather that the province's lawyers agreed with that position, so they are now giving us that money.

I will leave for you the actual apportionment of education dollars in Metropolitan Toronto. I know Dianne Poole's office had phoned me for these, so I thought I'd bring them over today.

The Chair: We'll make those available to all the members of the committee. Thank you all once again for coming out.

Ms Vanstone: Thank you.

CITICOM INC

The Chair: I now call our next witness, a representative from Citicom Inc. If you would be good enough to introduce yourself for the purposes of Hansard, please go ahead.

Mr Kim McKinney: My name's Kim McKinney. I'm employed by and represent a local developer here in Toronto. The owner also operates one of the largest parking management companies in Canada.

The Chair: Just for the record, you are here representing the company?

Mr McKinney: Yes. We also operate one of the largest parking management companies and employ over 3,000 people across Canada. The company has been in business in Toronto since 1934, and currently manages over 100 parking lots here in Toronto. In addition to managing parking lots, we also own a number of properties which are operated as parking lots across Canada. We have developed over $1-billion worth of commercial property in the last decade. Today we have no active developments on the go, which is similar to most real estate developers. We're simply trying to manage and maintain our existing portfolio of properties.

We strongly disagree with the proposed market value assessment plan, and believe it is ludicrous, irresponsible and borders on fraud. We are already taxed to death and cannot afford any more taxes. The well is dry.

I would like to give you one example of why we think MVA should not be passed. We have heard many times before that the assessors may have used students to establish market value, who would not have had the experience or expertise to establish what fair market value is. My example is a property owned by Wentworth Properties, which is an affiliate company.

The property is located at 29 Camden, which is just west of Spadina between Richmond and Adelaide Streets. The property was purchased in 1952 when the city was pleading for parking lots to remain in the downtown core to keep it vibrant, after the suburban malls were being built and the downtown business district was being eroded. The property is 11,300 square feet in area. Under market value assessment the property was said to have a market value of $2.8 million; this equates to $250 per square foot.

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Under MVA, as originally proposed, 1993 realty taxes would have been $60,500 with an additional $15,000 for business taxes. It would have given a total tax bill of $75,700. I have here the operating statements which show gross revenues of $52,000 projected for 1992. The operating expenses to manage and run the parking lot will be approximately the same, $52,000, therefore leaving nothing to pay the current taxes. The current realty taxes are $8,375, the business taxes are $2,093 for total taxes of $10,468.

With the capping provisions that have been introduced, the taxes will increase by the 25% in three years to $13,085. Combined with the realty tax and business tax, we also pay a commercial concentration tax of $6,768, which gives a total tax burden of $20,000 for 1995. As you can see, there are no revenues to pay for these taxes as it is today, let alone another 25% increase.

I mentioned that the property was valued at $2.8 million or $250 per square foot. We are developers, and I think we

have a fairly good idea of what market values are. I can say from my experience that that property was never worth $2.8 million and probably never will be. If you know the area, it's just west of Spadina in the garment district, and there will not be a First Canadian Place built on that property. The actual value is more like $200,000, and the owner today would gladly take any offer approaching that number. There's no development potential for this particular property for at least 20 years, and probably not in my lifetime.

As we have heard previously, developers are just trying to survive today, and most are struggling to stay in business, as witnessed by the likes of Bramalea and O&Y. I personally don't want to join the 11.8% unemployment rate here in Canada. As you can see, the market value assessment system is flawed and should not be passed, even with the 25% caps. The operative phrase in real estate today is, "Survive till '95," and I ask that you assist us and other developers to do the same. Thank you.

The Acting Chair (Mr Stephen Owens): Thank you, Mr McKinney. We have time for some quick questions.

Ms Poole: Thank you very much for your presentation today. You mentioned that right now your taxes, including both the business tax and the realty tax, are in excess of $10,000, and at this particular point in time, let alone with the 25% cap, you're having trouble making any profit and it's difficult for you to pay the taxes. Have you calculated what your parking rates would have to go up to in order to compensate for this additional tax you'll be paying?

Mr McKinney: No, I haven't personally, but right now the daily rate is $5 for a day, and I would say it would have to go up at least 10 times that to compensate for that increase in taxes. The market cannot bear that, but that would be the result.

Ms Poole: So it appears that if Bill 94 goes through in its present form, you will really drive yourself out of the business. You can't compete at the rates you'd have to charge in order to pay your taxes.

Mr McKinney: That's right. Unfortunately, we would shut the parking lot down, but with vacant land there would be no cap. So we're caught between a rock and a hard place: Obviously we don't want to shut it down and be impacted by the full reassessment, so we're going to continue to operate it and try to cut down on expenses.

The one thing we may look at is that we currently have someone employed on the lot, and with computerization and so forth we may be able to put a machine on the lot instead of having someone employed. Again, that would force the unemployment rate to go up, which is another tax burden. With the current taxes, it's tough enough to get by, let alone with more increases.

Ms Poole: You're really in a catch-22 situation. You can't close it down because then it'll be vacant land, you can't operate it as it is at a viable rate because you're not making any profit, and third, you can't sell it because who is possibly going to buy it with those taxes in that situation?

Mr McKinney: That's right. Today in the real estate industry, as you know, there are very few commercial properties being traded in downtown. The ones that will probably first rebound are buildings like First Canadian Place, because it's prime property. The last to rebound will be land. People today who are investing in Toronto and in Canada are looking for a return on their money; if people can't get a return on a parking lot, then they're not going to pay anything for it. I had mentioned $200,000, but that might even be stretching it, because no one's going to get a return. They would be buying the property to eventually develop it, hopefully, but as we've seen, properties even closer to the core might not be developed for 20 years.

Mr Turnbull: Did you say the land is valued, according to the assessment, at $250 a square foot?

Mr McKinney: Yes.

Mr Turnbull: That's incredible. Let me try and put this into perspective. Let's say it was built out as a building, recognizing the conditions we have today. If you got a mortgage at 9.5% compounded semi-annually, you're going to be paying the equivalent of $25 a square foot per year just to maintain that. So per square foot, depending on the density you had, that's what you'd have to attribute to the rent before you'd done anything, without any cost of building.

Mr McKinney: Exactly.

Mr Turnbull: You raise some significant points. One of the things that is coming through, apart from the fact that market value is obviously a totally flawed system, is that even if you like market value, this assessment was very incompetently done. We've had testimony that some college students who were on summer holidays did some of these assessments. We know we have buildings next door to each other, which are virtually identical, with radically different assessments. The proponents of market value will simply say, "Yes, but you can appeal your assessment." But does it seem reasonable to put forward a system that has so badly managed the assessment?

Mr McKinney: That's right. I think the assessors are going to have their hands full. We're definitely going to appeal every property, and we do that as a procedure. I don't know where they're going to get the time to hear all the appeals. Why not start from a system that is fair and equitable to begin with, rather than bring in a system like this and force everyone to spend time and money? You have to pay for lawyers and property tax consultants to appeal your taxes, or you do it yourself, if you have the time.

But you also brought up another point about financing. This property's not financed; it was bought in 1952. The owner is very fortunate that he doesn't have any financing on it, because as I mentioned, it doesn't produce any income before taxes.

Mr Turnbull: So you're certainly not speculators, if you bought it in 1952.

Mr McKinney: That's right, and I don't think too many developers or land owners can say the same thing. They probably financed it, leveraged it to the hilt, and I don't know how they're surviving.

1630

The Acting Chair: Mr Mammoliti, one very short, sharp question.

Mr Mammoliti: Thank you, sir, for coming out. First of all, what do you expect from the provincial government? I

think I can assume what you expect, solely because of your presence here today, but are you aware of a precedent that might be set if the province were to amend any piece of legislation that pertains to this, in terms of a particular decision Metro council has made? And if you're aware of that, do you think it's right that the province would do that? Understand as well that the precedent it would set would mean, in my opinion, that in any future decisions made at the Metro level, negative or positive, that would reflect on your particular business, the province could, at any time, say, "It's wrong, it's incompetent, and we're going to change it?" For that reason, I think it's unfair. Would you be willing to take that chance, by coming here today and asking the province to intervene? Because ultimately that's what people are asking us to do.

Mr McKinney: Sorry. Would I be willing to take a chance on—

Mr Mammoliti: On the province intervening and setting this precedent I'm telling you about.

Mr McKinney: I just think, why try to ram it through so quickly? Why not take a look at the system, wait for the Fair Tax Commission that's going on and see what it has to say? I don't see the urgency of passing legislation on this system when it's flawed from the beginning.

Mr Mammoliti: The fact that it's going to set a precedent is the argument I'm using. If the province were to do that and then ultimately make changes to Metro's proposal, it sets a dangerous precedent. Frankly, I'm not prepared to do that myself. But you, as a representative of a business here in Toronto, will know that if that precedent is set, you could get affected at any time in the future if the province decides to just change anything Metro recommends.

The Chair: I think we're going to have to move on at this point. Thank you very much for coming before the committee.

Mr McKinney: Thank you.

BOB AIREY

The Chair: I'd now like to call Mr Bob Airey. Welcome to the committee, Mr Airey. Please make yourself comfortable and go ahead when you're ready.

Mr Bob Airey: I don't normally do this sort of thing, so we'll see how it goes. Thank you very much for having me here.

The Chair: That's what these are for, and we just want to make you feel welcome.

Mr Airey: My name is Bob Airey. I was born in Scarborough and I live in downtown Toronto. I've been selling real estate throughout downtown and Ontario for over 15 years.

My first concern is for elderly people who are on fixed incomes and trying to stay home instead of living off of other people. One of the concerns that has been brought to my attention specifically is that if somebody, say Mrs Jones, is holding a property in trust for a juvenile within her family and some time after January 1, 1993, she decides it's time to put this property into this family member's name, this family member would then be hit with the full effect of the 1998 tax. I do not see this as being fair. There is recognition of a surviving spouse not to pay the full tax, but why not a family member? Is a family member not as close as a spouse would be?

The fact that you're using 1988 as the date for market value assessment is also quite offensive. The government invited various offshore peoples to come to Canada and get citizenship by spending their money on new businesses. Instead, they speculated in real estate and the values were driven up, and then they left. It has taken years since the market passed away in March 1989 for values to fall to sensible levels, and they are still dropping. There are vacant floors in the TD Centre and properties on streets like Queen Street that aren't even selling under power of sale—that's with the existing taxes being applied.

Now people who wish to sell their houses after January 1, 1993, are being asked to market their property to a market group which will base its opinion of value on your market value assessment figure for 1988 and then reduce the value to what it perceives is today's value, which everyone knows must be a lot less than it was in 1988.

This false value of 1988 never was based on true market value and now you wish to tax us on these market values and you want to penalize people who wish to sell their homes over the next five years by forcing them to negotiate with someone who says: "The city says your house was worth $250,000 in 1988. It must now be worth approximately $150,000." If they buy that house, they pay a tax on $250,000, so they'll be asking these vendors selling their homes to reduce their prices accordingly to allow for this extra tax rate.

A lot of people travel in and out of downtown Toronto, and parking for some of our downtown business owners has been reduced and restricted. We are being asked to pay equivalent taxes, yet not to have equivalent parking facilities.

It's taken a lot of years to get the neighbourhoods in downtown Toronto up to a standard we can be proud of. Overtaxing is not the answer to maintain this and keep people wanting to visit and work here in Toronto.

That's basically what I have to say.

The Chair: Thank you very much for your presentation. Mr Turnbull, we have time for a question.

Mr Turnbull: I'm pleased you raised the question of speculation. I remember very well watching television, reading and hearing on the radio, when Bob Rae was in opposition, he always used to be going crazy about speculators. You've talked about the people who came from overseas, speculated in real estate and then left. The government is blessing this speculation by accepting 1988 as the assessment year.

If you've heard any of these hearings you'll know I'm against MVA as a method of taxation but, as a real estate specialist, can you tell me, would it not be correct to say that there were various areas of Metro that went up in 1988 disproportionately to others and actually came crashing down relatively further than others since 1988?

Mr Airey: Yes, that would be true. That's tied to market demand, which is tied to people with money and people without. Consequently, you'll have certain areas rising in value

based on speculative activity more so than others, and when that demand is no longer there, they'll drop accordingly.

Mr Turnbull: Are you a commercial real estate broker?

Mr Airey: Both.

Mr Turnbull: It appears to me that the approach used to the value of small commercial buildings was to take it based upon trades in 1988, which may not have been sustainable—in fact we know those prices weren't sustainable—and we're now penalizing the people who retained their buildings and in fact penalizing the tenants in those buildings by high taxes—

Mr Airey: Exactly.

Mr Turnbull: —whereas we're seeing many of the large buildings get tax reductions because it appears they took the approach of income flow in those buildings. Does it not seem incompatible that you would use two different approaches to valuing these different properties?

Mr Airey: I don't know that I could answer that question truthfully and know what I was saying, but I would say that a lot of the properties I deal with, which are smaller, main street properties, commercial businesses and so forth, currently have taxes on average of, say, $3,000 to $4,000 and are seeing major increases immediately upon this taking effect.

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Mr Turnbull: Are the kind of values that were attributed to small buildings in 1988 in any way reflective of the kind of values you can get for those small buildings today?

Mr Airey: No.

Mr Turnbull: Perhaps you could tell us, what sort of percentage have they dropped by?

Mr Airey: About 50%.

The Chair: Thank you very much for coming before the committee today.

ZYGMUNTT UZNANSKI

The Chair: Could I next call Mr Zygmuntt Uznanski, please, if you would be good enough to come forward? Welcome to the committee. If you would please just identify yourself for Hansard.

Mr Zygmuntt Uznanski: My name is Zygmuntt Uznanski. I speak as a private citizen. I am opposed to market value assessment. In my mind, market value assessment is what we have back home where I come from. It's called wealth tax. They say, "If you have lots of money, we're going to share it with you."

However, I was listening to some of your program and now I'm going to say to the people who are proponents, they tell me that in Scarborough, North York and Etobicoke they can buy new houses cheaper than the old houses in the city of Toronto, which is true in a way. During my time, I remember, when I wanted to buy a home in Scarborough, I couldn't qualify for it because my wages were too low. This thing ran for a long time.

The question is, why are the new houses outside Toronto where it's so cheap? It's because of the cheap labour. I am one of those people who was working cheap labour before I retired. I'm going to compare for you. In 1960, I had to work two days for what the construction worker made in one day. That's just a comparison. Now do you see why the houses were so cheap? On this thing, I think we should wait for the Fair Tax Commission to submit whatever it has.

I also remember the proponents were crying that they have to wait 10 years to bring the new law in. So I was thinking, I will volunteer to work for six months for $1 to bring this new legislation, fair market assessment, into force. When I'm going to work, I can assure you that I'm going to do this as fast as you did with the labour bill, maybe even faster. I hope you agree with me on this.

I have a question to this member. I don't know if you can answer this question, but if you cannot answer this question, I will ask my member of Parliament to ask it during question period. I see that Metro is a corporation.

Mr Mammoliti: Who is your member?

Mr Uznanski: Tony.

Ms Poole: Tony Silipo?

Mr Uznanski: Ruprecht. He's good.

The Chair: Please go ahead with your question.

Mr Uznanski: The Metropolitan corporation passed a resolution for market value assessment, but I don't know that it has a mandate to do so. I cannot understand why. My understanding is that with such a mandate, the resolution could be passed when all the municipality comes together and agrees to it, not just one part or another part. This is my question to the ministry.

Further, I will ask if the minister knows that before he does something—he can pass the legislation, the laws, the statutes, everything else, but he cannot amend on his own without first amending the act. I don't know if he has amended this act or passed this special legislation to amend this Metropolitan corporation act to act on my behalf. So this is my question. If you can answer, it's good.

Now I'm going to tell you that sections 22 and 36, I think, or whatever it is, do not apply to the residential properties. That's what I think, but that's how they come to it. Those sections do not apply. Furthermore, I see that—somebody gave me this thing—section 65 will not be enforced. It says, "Power to appeal market value reassessment." So I think who will give those powers to the Minister of Revenue to say, "No, you cannot appeal under that section," without amending the act? You have to amend the act and then say, "No, you cannot do this." This is my question. Thank you.

Mr Mills: I think, sir, that you've asked a multiple of questions. Just leave us a minute and we'll try to come up with an answer. Just bear with us, okay? You've asked a few things.

Mr Uznanski: Can I go now?

Mr Mills: Just wait a minute.

The Chair: Just give us a couple of moments. We've got the first two answers and we'll have the third one in a moment. We have the answers.

Mr Mills: We're ready. The first question: What happens is we've had a number of municipalities, like the region of Halton, Elgin, I think there are about 13, and it doesn't take all of the various municipalities in agreement. I think in Halton there were four that were against market value assessment, but nevertheless it carried, and that goes on and I think that's in line with most municipalities. You never get total

agreement, sir. You've always got some municipalities that are against it. Likewise in Metro, you have, I think, 21 for it and 13 against.

Mr Uznanski: Twenty for it.

Mr Mills: Twenty? Well, that's normal.

In regard to your second question, yes, the minister does have sufficient authority to make amendments. He does have that authority.

Mr Uznanski: Yes, I know he's got the authority to make amendments. My question was—you don't understand this thing. I directed a question about the municipality of Metropolitan Toronto.

Mr Mills: Yes.

Mr Uznanski: In Halton they are under a different act.

Mr Mills: Yes.

Mr Uznanski: They are a region, this is a municipality.

Mr Mills: Yes.

Mr Uznanski: So it's a completely different setup, a completely different act. So here is a gentleman from Metropolitan Toronto, I don't know him, I only know that once he complained he cannot buy enough spaghetti for $10. He wants it for me, but I'm opposed to this. I don't want him to tell me what to do. He never consulted me. I live in a democracy. This is a democracy. There is no more Dominion of Canada and we are no more colonials.

Mr Mills: I suppose a democracy centres around you electing people to make decisions for you—

Mr Uznanski: Yes.

Mr Mills: —and they've made those. So, really, the democracy centres around the next election.

Mr Uznanski: But acting under the law. They're acting to have the statute passed by this government and this government didn't give them the right to go out and tell me that he wants market assessment.

Mr Mills: That's just a difference of opinion, sir.

Mr Uznanski: That is not different. You're telling me—

Mr Perruzza: They have that power.

Mr Uznanski: I know what power you have. You don't have to teach me this.

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Mr Mills: You're talking about appealing your taxes. What you're talking about is—and it's a little technical; maybe we can get you a paper so you can take it away and read it. You're saying you want to appeal the 1992 assessment and we haven't taken into account the cap. It's a little difficult for me to put it in so many words, but perhaps one of our people will give me a sheet that you can take away and you can understand it. What you're trying to say is that you want to appeal something that hasn't really happened, because of the cap.

Mr Uznanski: No. Metro has put the cap ahead of time. First I appeal, then they put the cap. They're doing the opposite. That is wrong. The cap you put after, not before; before you cannot cap anything. You pass the legislation and we work with it. We go to the municipal board and we tell them that this man complained.

Mr Perruzza: This is indicative of the misinformation that has been spun and perpetuated out there with people. We really should develop a brief newsletter which explains how this is going to work. I've listened to some of the people here as well just extend yarns of untruths. Maybe that's what we should do.

Mr Turnbull: On a point of order, Mr Chairman: I've just heard Mr Perruzza pointing towards us and saying that we've been extending yards of untruths. I would request that be immediately withdrawn. It's unparliamentary language.

The Chair: Mr Perruzza, perhaps you might phrase your comment in a slightly different way.

Mr Perruzza: I'll rephrase it just because we're at the end of the day. Having sat on this committee for a number of days, the verbal insults that have been hurled at each other—

The Chair: I think we've had a pretty good day.

Mr Perruzza: The yarns of misinformation, I guess. That's really what many of us have been perpetuating on this issue, and it's confused a lot of people out there.

The Chair: That's fine. I think there have been some questions, and it may be that some other information can be provided.

Mr Mills: Sir, we'll get you a written explanation of that particular—

Mr Uznanski: You're going to give me all the legal explanations so I can go to my lawyer and he'll explain to me what you said you're doing, how this works? I know how the act works. I went through the municipal bill a few times before; I'm a little familiar. I don't know everything, but I know this is not in the proper manner. The municipality of Metropolitan Toronto doesn't have anything, no mandate whatsoever, to reassess us. This I would like to know in writing. I would like to have this in writing, what you tell me. I would like to have this on paper so I can read it and go to my lawyer and he will explain everything to me.

The Chair: Mr Uznanski, information will be provided. Thank you very much for coming today.

The Chair: I'd like to invite Chris and Noella Milne, if they're here, to please come forward.

Ms Poole: On a point of privilege, Mr Chair: An accusation was made against a member representing the city of Toronto and a member representing the city of North York that we have been providing misinformation. I would ask the member who made that accusation to document, in writing, specifics of that allegation, including where misinformation has been spread. The information we have been providing has come from the city of Toronto, in many cases, or Metro council.

Interjections.

The Chair: Order, please. Order, Mr Perruzza.

We have witnesses who are here to present their views and we are going to conclude this afternoon by listening to the witnesses. There will be plenty of time for debate in the House. Order. I don't want any more comments back and forth. We are here to listen to the witnesses and to pose questions to them.

CHRIS AND NOELLA MILNE

The Chair: I'm sorry, Mr and Mrs Milne, but you are welcome to the committee. It is perhaps the lateness of the hour, but we do appreciate your coming at this time to make your submission. Please go ahead once you're ready.

Mr Chris Milne: My name is Chris Milne. This is my wife, Noella. We're citizens of the city of Toronto, we're taxpayers. As you are, we're very concerned about MVA and the impact it is going to have on all of us. One of the major concerns we have is that today, weeks before implementation, we haven't the slightest idea of what is going to happen and where it's going to go. There has been a lot of misinformation, there's been no information, and there is a lack of time. I'm extremely upset that there has not been enough time allowed for the taxpayer—not the representatives, not the people who pass the laws, but the person who writes the cheque, the taxpayer—to evaluate what this is all about.

I am an educated man and my wife is very well educated, and if you ask me today what effect it's going to have on myself, on my family, on my house, on my community, on the place where I shop, where I go to work, I have no idea. That to me is the fundamental problem and the reason we're having these hearings today.

I'm very, very proud of the city of Toronto. I'm very happy to live here. It's a world-class city, and we didn't get there by accident. It's a city that works. We have this thing called Metro which consists of a bunch of suburbs, of communities, Toronto, North York and so on. But what do we really think of when we think of Toronto? We think of the heart of the city, we think of the CN Tower, we think of the Dome, we think of the downtown, we think of the Toronto Islands; we think of all these things which all happen to be within the city of Toronto. But these are shared by all of Metro. Everyone comes into Metro every day. I think everyone should support Toronto, whether they live in Metro or in Toronto. It should be equal. It should be fair.

We want to avoid the mistakes that have been made by other cities around the world—New York, Detroit—and the tax base is fundamental to that. That's really what it's about. New York almost went bankrupt. Why? There was no support for the core. And New York is a disaster: strip bars and strip joints everywhere. Harlem—go take a look.

There are four basic points I'd like to make about property taxes. One is fairness, and I think we're all for that. The second is impact. How will it affect people? Will they be able to pay? Third is acceptance by all parties, which I don't see today. The fourth is implementation.

The city of Toronto represents 25% of Metro but pays far more than that share in taxes today. I don't know the number, no one has told me, but 75% of those taxes paid by Toronto go to the common good of Metro: 50% goes to the school boards, 25% goes to Metro in general.

Toronto is also home for most of the poor, most of the sick and most of the elderly and has a greater share of the burden of housing for all of these people. These people are on fixed incomes and must live close to services. An increase in taxes in the Toronto core will affect these people. You can have grants, you can have subsidies, but it's not very efficient; these people will be affected. A tax increase will severely impact these people because they are on fixed incomes that will not go up with MVA. It should be understood that this burden should be shared by all municipalities, no matter where they are. MVA goes against this principle.

Impact: The person footing the bill here is the taxpayer, and he has had no opportunity to assess, evaluate or measure the impact of his increase in taxes, whatever it is, or even decrease. People should have been sent notices in their tax bills a year ago showing them, "If you are under MVA, your taxes would have been this," and then they'd be able to think about it, talk about it and come up with maybe some problems or issues that might need to be discussed.

The timing for this change has got to be the worst: We are in the midst of one of the worst recessions we've ever had. Many businesses are failing and cannot pay their taxes now. If you increase them, they still cannot pay their taxes. Who will foot that bill? The province?

More businesses will fold. You will have an increase in unemployment in downtown Toronto for sure. Small businesses will fail. I see it happening every day. This will create further unemployment, because this tax will be the straw that broke the camel's back.

1700

I travel a lot back and forth between Toronto and Montreal. In Quebec they had the wisdom to introduce an additional tax, similar to the GST only it's a provincial GST, and I can tell you the impact that's had on that city. The city has been devastated.

As it is, downtown has a tough battle with the regional shopping centres. Start increasing the taxes on the retail on Yonge Street and other streets of Toronto and it's only going to continue to push out that business that has already been shifted out to the regional shopping centres. What will happen is what has happened in Montreal.

I was born and raised in Montreal, and I used to walk down St Catherine Street proudly. It was a beautiful retail street—high-end stores, shops—and today it's nothing but strip joints. I couldn't take my son down that street, and that's in a matter of 15 years; I've been away from Montreal for 15 years.

Why has it happened? In order to pay the taxes, you have to have a high-income business on the second floor. We all know that second-floor retail businesses don't make a lot of money, because it's not good space unless you happen to be doing something that's on the edge, like peep shows and strip joints. Go look at Montreal. Walk down St Catherine Street. It is nothing but strip joints and peep shows, and that will affect the city.

Acceptance: This MVA is being forced upon the people of Toronto. They have not been given a choice. They have not been given time to decide. The mayor of Toronto is threatening to break away from Metro, and I don't think this should be taken lightly. It's a fact. People are seeing a shift of $46 million from Toronto to the other municipalities. Taxes are going down everywhere but in Toronto. This should not be taken lightly. There is no consensus, no acceptance. Tell people what their taxes are going to be. Let them look at them privately. These are private matters. Each person should know what his taxes specifically will be. Let them evaluate. Let them decide. Give them time.

Implementation: Some of the last-minute adjustments were done in the tax by applying caps and so on just to gain approval. Ultimately we're going to have to accept the full amount in the end, and the timing has got to be the worst. Wait a year. Give people in business a chance to get on their feet. Give them a chance to evaluate their situation. Wait until the recession is over.

In summary, I think we should be dealing with these four points: fairness, impact, acceptance and implementation. We should issue pro forma tax bills so that people can see what their taxes are going to be and see if they can afford it, see if they have to move, see what adjustments they have to make, see if changes have to be made. Give people a chance to assess and decide at the taxpayer level.

Measure the impact on fixed-income people. Maybe you'll find out that certain areas of the city have not been reviewed thoroughly enough and there's going to be serious problems. Does the city of North York really want everyone to move up there?

Wait a year and then decide. I would delay the implementation of MVA until the taxpayers have had a chance to assess it. I would send all taxpayers a notice in their February 1993 tax bill telling them what their taxes would be under a fully implemented MVA.

I would change the base year back to 1984. A gentleman earlier today had a very valid point: 1988 is a flawed year. It was a year of speculation, not a normal year. It should not be used for setting the basis for taxes. Go back to 1984, which was the first year you used, which is more appropriate. It was a more stable year. It was more in line with the economy and the way it is today. We were just coming out of the 1981 recession. The year 1988 is a clear distortion, and this distortion will exist for four more years in the tax base if it's adopted, because you're going to take four years to readjust it.

Other than the fact that it does have an impact on fixed-income people, which I don't think has been addressed, and it will severely hurt the downtown core, I'd just like to leave you with a few thoughts from my wife, Noella.

Mrs Noella Milne: I have lived in several major cities around the world, but Toronto is my favourite city. What makes Toronto so special is the fact that people love to work downtown, play downtown and live downtown. This gives the downtown core a vibrancy and a life that makes it welcoming and safe. I, as a woman, feel safe downtown, unlike the downtowns of any other major city I've lived in. I believe MVA will drive the restaurants and stores from downtown and will attract only seedy bars and other activities that can afford the higher taxes, and eventually will drive away the residents from downtown who don't find it an attractive place to live any more.

I thought the drive of the 1990s was to move towards an approach of residential intensification and conservation of space rather than sprawling suburbs. MVA will achieve just the opposite.

The Chair: Thank you very much. We have time just for a short question.

Mr Perruzza: If I can recap a couple of things you said, basically you haven't been consulted enough, and the local taxpayer hasn't been involved enough in the decision. From my understanding, and I haven't been around this long, whether or not to update the tax rolls is something that's been talked about in Metro now for the last 25 years and more aggressively, I guess, in the last four or five years, when Metro first made a decision and then that decision was forwarded to the provincial government of the time. The provincial government then sent it back and said: "Well, 1984 is not an appropriate year for us. We would like you to base it on 1988." That happened all over again, and then they forwarded that information back and so on. So there's been a considerable amount of debate around this specific issue.

We, as a provincial government, don't control how property tax bills are sent to people. That's something the local municipality does, and it can break it down any way it wants and can demonstrate any information in that tax bill. In fact, for the past several years, the city of North York has circulated a flyer along with its tax bill indicating clearly where all the taxes it collects go in terms of percentages, and what some of those tax dollars pay for and the names of the people who actually are responsible for those mill rate increases. That's been going on for quite some time, and maybe municipalities can do a better job in showing people clearly what moneys are used for and what the impacts of MVA are.

But I don't agree, and I disagree with you categorically, when you say there's going to be a mass exodus of businesses from the downtown core etc. This isn't a debate about the suburbs versus the city of Toronto or any of that, the way some of our opposition people would like us to believe. It's a debate about properties that come on line later in an assessment cycle as opposed to properties which have come on line earlier. So there are a lot of inequities in the city of Toronto now.

For example, if you took a street in downtown Toronto and renovated it, the new properties there would come on line at a much higher rate of tax than the existing street. It's essentially the same location; you wouldn't have to change the property size or the square foot size of the property itself.

The other point, very briefly, is this argument that they're all going to move to the suburbs. The suburbs are going to pay a higher rate of tax even under this plan. They're not going to come to par with the city of Toronto for similar-valued properties. There's still going to be a disproportion built into this to the tune of about 50% at the end of two years.

1710

The Chair: Perhaps Mr Milne can respond to those two questions.

Mr Milne: I'd like to use the analogy of the constitutional debates; we've been trying to change the Constitution for a hundred years. My wife and I both agree, as well as many people in the city of Toronto and North York and elsewhere, that the current system of assessment needs to be changed, needs to be corrected, needs to be made more fair. We're not disputing that. What we're disputing is that we don't want to be thrown into the same type of thing that Prime Minister Brian Mulroney threw this country into just a couple of months ago: "We've got to make a decision about this country in the next two weeks. I'm sorry, but I don't have any information out for you to evaluate it and assess it."

That's what is upsetting us. I think it should be a law that a citizen should be given notice a year prior as to what the impact of a major change such as this will be on himself—the impact on his property, or whatever—so that he can respond. Today, yes, it is between the people over here and the people over here who are debating; meanwhile the taxpayer's sitting back here and saying, "I don't know what the hell's going on, but I'm really afraid, because I don't know what's going to happen."

You may be right, Mr Perruzza; you may be correct. But today, sitting here, I have no idea whether you're right or wrong, and that is the issue.

Mrs Milne: I think it's a bit unfair, really, to say that it's not going to impact the city of Toronto disproportionately, more so than any other municipality. Isn't that an unfair statement? I know studies and figures have shown that the city of Toronto is going to be adversely impacted, much more than any other, so I think that's unfair for you to say. How do you know that one shopkeeper here will be paying more? Across the board, Toronto's going to pay much more, and I think that's—

The Chair: I think the views have been expressed, and clearly there are some things we just don't know. We want to thank you very much for coming before the committee and setting out your views this afternoon. Thank you both.

BARBARA HALL

The Chair: Could I call Barbara Hall, please. Welcome to the committee.

Ms Barbara Hall: My condolences to all members of the committee for the weekend they've had. I'm sure there were many other places you would have preferred to be.

I'm a city councillor in the city of Toronto and represent a downtown ward, ward 7, and have lived in that part of town for about 25 years. I came to Toronto and had a great affection for the downtown. Having spent the early years of my life on the east coast and the west coast, I found the downtown of our biggest city a wonderful place to be.

I moved away about 20 years ago to a large American city, Cleveland, and I can still remember the feelings I had 18 years ago when I returned to Toronto early one morning on the bus; I'd come from Cleveland on the bus and, as those overnight bus trips often are, it's a ghastly trip. The bus came in along Queen Street just at sunrise, past city hall. It was held up a bit because there was a street cleaner ahead of us, one of the ones that sprayed the water out, and that seemed wonderful; one never saw those in Cleveland. I went to the bus station, got off, took my bags and walked to friends in Cabbagetown, where I was going to be staying while I got relocated here. I found myself, as I walked through the streets to my friends' house, weeping at one point. I can remember the emotion I felt as I walked through a city that was friendly, was inviting, where even at 6 am there was a lot of activity. You could see people cared about what happened there; it showed, and I could feel it. It felt like I'd come home.

In Cleveland, where I had lived and worked as a probation officer, after 5 o'clock one saw only security guards or police cars on the main streets, and as you went off the main streets you saw what had once been wonderful older homes which had been abandoned when the middle classes rushed to move to the suburbs, now often abandoned—officially abandoned—but filled with the poor, the homeless, who were prepared to take anything for shelter.

Over the past few months, as we've been dealing with the MVA issue in the city of Toronto, fighting it at city council and with our constituents living in the neighbourhoods of Toronto, I must say, on a couple of occasions, I've wept again, and this time not with the kind of joy I felt then but with a real despair and anger at what I see as a carelessness that's being shown to the future of this city.

It may seem melodramatic for me to compare Toronto and Cleveland, and I may sound emotional, but I don't think it's melodramatic and I am emotional, because this city that I care a great deal about, that works very well, I think—there are ways it could work better, and many of us in this room and throughout have worked long and hard to keep it where it is. All of that work, I believe, with the passage of this legislation, will have been for naught, and we will end up with a very tragic situation in this city.

First of all, I'd like to talk about the process. I am concerned that I have seen a number of times in the press that this bill is going to be passed next Thursday. I must say, as somebody in government, I find it deplorable that that is being said. Hundreds of people have come down to depute, and if the minds have been made up already and the bill is going to be passed, then why in heaven's name have you wasted your time on this weekend, and our time, in bringing us down?

I've also heard it said that what is being proposed by Metro is not full MVA. Well, for some it may not be, but for many it is, and I thought what this bill was meant to do, or what a new tax proposal was meant to do, was bring in equity, wipe out the unfairness that is there. I would be the first to acknowledge that the present system is not a fair one, but bring it in with a pile of new inequities?

Any home sold after January 1 will end up with full MVA. What are we going to have? As a lawyer, I can imagine the kind of messes that are going to come about as people avoid, with a purchase or selling their home—there'll be all kinds of side agreements that will never get registered on title in order to avoid that. Or, if that doesn't happen, then we'll have the equity that people get out of their homes decreasing. Full MVA.

I know over the past few days you've heard from the railway companies, Hydro, GO, TTC, all of those interests who have vacant land. They will be impacted with full market value, the thing that we are supposedly not getting, and the full MVA on some of those bodies will impact not only the city of Toronto but people who use the services of those various organizations throughout the province. Hydro users, people who travel on GO and TTC, are all going to help bear the price of this misguided plan.

1720

At the present time, there's a requirement that the full amount, the full assessment, the full amount of taxes that would have to be paid, will have to be put on tax bills throughout Metro if this proposal goes through. I believe that seeing that number there will act as a slow poison for people in the commercial sector and the non-profits over the next few years. They may not be required to pay full MVA now,

but I believe that the impact of seeing those numbers on the bill will mean that rather than looking at ways to reinvest or to strengthen their position in this city, people will start now to look at ways of moving out of the city.

We will lose many of our businesses. We will lose our arts sector. We will lose many of the non-profit organizations and activities that have gone a long way to making this city the exciting place it has been for both residents of the city, residents of the rest of Metro, and indeed many people who come from around the world to visit Toronto, a place that has an international reputation as a city that works.

Finally, I'd like to talk about the question of whether you as a level of government must respect the wishes of Metro council as a duly elected regional government. Usually, yes, and I must say that there are times when I have said, "Stay out of other levels of government," when you have come in. But to say, when there is something as serious as this, that because Metro, a duly elected body, has approved it, you must go along is wrong. I believe it's irresponsible and I believe it really is a copout.

Provincial governments clearly have the right to intervene. They don't usually intervene, but when there are situations they believe to be crucial, they have done that. On a purely non-partisan, across-the-board basis, Premier Davis believed, and I think many people since then have confirmed, that the Spadina Expressway would have been very destructive to this city. Two weeks ago I was in Dallas. Maybe we would have ended up with a city more like Dallas, where the freeways really rule that city. Premier Davis stepped in, recognizing the importance of that issue to the survival of a vibrant city with neighbourhoods.

Over the past few years, there was a lot of controversy around what was happening on the waterfront in this city. Some pretty ghastly things had happened down there. Premier Peterson stepped in and declared a provincial interest in the harbour lands.

I believe the issue of MVA is one that this government should declare a provincial interest in. Premier Rae should, as his predecessors did, recognize that when something is as crucial to the survival of this city, a responsible government must step in and declare a provincial interest and put this madness that's proposed and is before you today on hold.

There is no full economic and urban impact study done. Yes, the issue has been around for 25 years. Yes, nobody likes to bring in changes in taxing legislation. But this thing has changed by the second. Nobody knows what it's going to do. Maybe at the end of the day, I'm wrong. If I am, then an impact study would show that. But if I'm right and we go ahead, then it's not going to be very helpful for any of us five years from now or three years from now or 10 years from now to look at a dead core to this city, given the impact it has on the economy of the whole Metro region, the GTA; indeed, the province.

People in this country and in this province love to hate Toronto and yet Toronto, over the past decades, has had a lot to do with the vitality of those areas. I believe all those areas would be negatively impacted if Toronto suffers the kind of degradation we've seen in large American cities.

I believe this should be put on hold and that the proper studies should be done. If that is not done, at the very least, remove the requirement that full assessment and taxes be put on the tax bill. Get rid of that slow poison.

The Chair: Thank you very much, Ms Hall. There are a few questions. Thank you, as well, for the broad non-partisan spread. I trust our hearings will end this afternoon in that sense of harmony. I have Miss Poole, Mr Turnbull and Mr Perruzza. Perhaps I could ask for one question from each person. Thank you.

Ms Poole: Barbara, you've said so much that I'd like to ask you about and it's hard to be limited to one question. You have said in your comments that the government clearly has the right to intervene and that you think a responsible government would and must step in, but we have gotten very different messages from the provincial government.

First of all, they say they are only giving Metro the same right any other municipality in the province has. Secondly, they say this is not an MVA plan. Thirdly, they say, "Well, in the unlikely event it is an MVA plan, it isn't full MVA." Fourthly, they say they continue to be against MVA, and fifthly, they've accused members of the opposition, who have, quite frankly, made comments very similar to yours over the last week, of spinning yarns.

Barbara, your party, the NDP, in 1984 passed a resolution which said it was against market value assessment. If the current provincial government—which to be fair is in a real dilemma; for any government in its position today this would cause difficulty—goes ahead and passes this legislation by Thursday, as is reported by the Minister of Municipal Affairs, David Cooke, in today's paper, will it have betrayed one of the premises your party has been based on?

Ms Hall: I think all party conventions from time to time take positions on matters where, after forming a government, the realities of governing may cause the government to do something differently. I certainly believe governments have the right to do that. I do believe, however, that this party has long had a position of being opposed to MVA. It continues to say it maintains that position. I believe that to go ahead with the proposal before us would have it getting too many of the impacts of that policy which it says it is against. So I would say: "Stop it. This is MVA."

1730

Mr Turnbull: Barbara, forgive me, because I really don't think this should be a partisan thing, but in view of the fact that you are from the Metro NDP caucus, I have to ask you this question. Not only is there a policy commitment of your party, which is supposed to be binding on your party, but in addition to that, Zanana Akande, Frances Lankin, Ziemba, Silipo, Ward and Churley—

Mr Mills: Not partisan, Mr Chair.

Mr Turnbull: —all actively campaigned in the last election as being against MVA. You have clearly said that you believe there are times when this can be deemed to be a provincial responsibility—

Mr Perruzza: Mr Chairman, he has no understanding of political parties, none whatsoever.

The Chair: Order.

Mr Turnbull: —and you've outlined the reasons why you believe that this can be superimposed at times when there are other interests that are important.

Given the fact that some of these people are senior cabinet ministers now and they campaigned actively as being opposed to this and it was one of the main campaign commitments of these people, is it not reasonable to say that these people should at least break ranks with the party and vote along these lines, since it was one of their main campaign platforms at that time?

Ms Hall: I don't know that it was one of their main campaign platforms. I'll go home and look at the collection of campaign literature I have and make that opinion.

Whether it was or wasn't, I guess what I am saying to members of the government and to members of all parties is that this thing that is before all of us, this MVA plan, is one that is destructive to the city of Toronto or will be destructive to the city of Toronto. I don't believe it's an issue about which one should be partisan. I'm calling on all members of the Legislature to oppose it and to get the information that will allow you and us to make an informed decision at some point.

The Chair: Thank you. Mr Perruzza, last question.

Mr Perruzza: Just for the record and for the people at home who are watching us today, it's also worth mentioning that both the Liberal caucus and the Conservative caucus were split basically right down the middle on this issue when we voted on second reading in the Legislature, so—

Mr Turnbull: That's just not true.

The Chair: We're almost at the end of the day. It's been a long weekend. Can we simply—

Mr Turnbull: Mr Chair, I want the record corrected now. The majority of the Conservatives and the majority of the Liberals voted against this and all the NDP voted for it.

The Chair: Mr Perruzza, do you have a question to Ms Hall?

Mr Perruzza: Yes. They were both split on it and most of them weren't in the House that day.

The Chair: Mr Perruzza, can we just have a question to Ms Hall, please?

Mr Perruzza: I think that's worth noting: not doing their job and not being in the House to vote on these things—

The Chair: Will the member please place his question?

Mr Perruzza: —and I can extract the record—

The Chair: Order, please. Will you please place your question?

Mr Perruzza: I just want to get back to the study for a second. This is something that has consistently intrigued me after, I guess, 53 hours of public hearings on this now, and having listened to many people from both the city of Toronto and some from some of the suburbs speak on all sides of this issue: that we need to have an impact study, and I would agree with that. In fact, that's something that's built into the proposal we have. But isn't the best impact study of all basically the way Metro decided to proceed on this with the 5% one year, 5% the following year and the 10% and 10% and then 5% for the commercial and industrial sectors? And we have close to five years to be able to monitor that.

The part that intrigues me about that kind of impact study is that I don't think it should have a narrow scope. I don't think the study should concentrate just on what happens in the city of Toronto. I think it should have a wider scope in terms of assessing what net impacts or net benefits and net losses are within all of Metropolitan Toronto. I would like to see that basically happen because—

The Chair: And that's your question?

Mr Perruzza: —although I live in North York, I spend most of my time in the city of Toronto, and I love this city.

Ms Hall: I wish it was that easy. I talked about a number of areas where it isn't the 5% and 10% or the various formulas, where it's everything right away. It's been a long time, but this plan was put together on the floor of Metro the day or two days before. It was a moving target for many days. This was put together. This was never looked at.

I talked about my experience in Cleveland. I was in Dallas recently. The last couple of days I was in Windsor at an FCM meeting. When you look at streets that have stores already closed and buildings already abandoned, it's very hard to bring it back from there.

The responsible way in which I think people should proceed is to know before they do it, not to say, "Go ahead and, five years from now, if we were wrong, we'll change it." My fear is that at the end of five years we'll find out it was wrong and it will be virtually impossible, or very difficult, to change it and bring it back to where we are now, which we all know needs work. Let's carry on to make this a better city.

The Chair: Mr Perruzza, I'm sorry. At this point, we have to move on. The question was put and Ms Hall has answered it. We'd like to thank you for coming today and appreciate you being here.

Ms Hall: Thank you. I hope your next weekend is better, everyone.

HOWARD MOSCOE

The Chair: The final presentation, Howard Moscoe.

Mr Turnbull: On a point of order, Mr Chair: We were requested earlier whether we would allow Howard Moscoe to go on. The opposition has agreed to it, in full knowledge that he is in favour of MVA. He was not on the speakers' list. Barbara Hall was. I just want it noted that we have agreed to him.

Mr Moscoe: If it's a problem, Mr Chairman, just have the clerk—

Interjections.

The Chair: Order, please. Please sit down, Mr Moscoe. The Chair just notes that we have had during the hearings several instances where individuals thought they were on and came, and the Chair made a decision that we might as well proceed. Today Mr Moscoe thought he was on, and on that basis I did that. There are some other people who—

Mr Turnbull: That's why I checked with the clerk before. To the best of his knowledge, he wasn't on the speaking list.

The Chair: But there have been others where there have been perhaps misunderstandings. There are people who will be appearing tomorrow in the same vein. If we could ask Mr

Moscoe to go ahead, let's just have our last witness and then we can discuss things. Please go ahead.

Mr Howard Moscoe: My point is going to be very simple. I'm not going to address whether I am or am not in favour of market value assessment, though in fact I do support the Metro compromise proposal. I'm very proud to have been a part of the structuring of that proposal.

I think it would be irresponsible for this Legislature to interfere in the assessment process, which is the responsibility of Metropolitan Toronto. There have been some 750 municipalities in this province which have gone through a market value assessment scheme and the Legislature has not, to my knowledge, interfered in those schemes. In fact, the architect of market value assessment, Bill Davis, wisely structured it in a way that would decentralize the blame for introducing market value assessment.

Municipalities were invited to do a study. The province came in and did the study. The results of the study were made known to the municipalities. The municipalities held hearings. The municipalities reviewed the scheme and then decided whether or not, on their own, to implement it.

You ask then: "Why is this matter not done by order in council, as has been done by most market value assessment schemes? Why is an act of the Legislature required?" The answer is very simple. Metro, in its wisdom, has built into its market value scheme or its interim assessment plan a number of protections for citizens that could not otherwise have been built in without an act of the Legislature. In fact, what the Legislature is being asked to do is to pass a bill that will allow Metro to introduce the protections that it believes its citizens require—that and nothing else. So to oppose this bill would not be to oppose market value assessment but would be to oppose the protections that Metro has determined are in the best interests of its citizens.

1740

The framers or drafters of this legislation did it very wisely, because it provides for Metro an opportunity for sober second thought: Metro will be required by bylaw to implement a number of those changes and will have the opportunity, when it passes its bylaw, to make any changes that it deems necessary.

But I want to remind you that Metro is a democratically elected government and has a responsibility, has held public hearings on this matter, has debated the issue for a number of years. Under the previous discussions on this matter some four years ago, the city of Toronto came forward and said, "This is not the time to implement this." The then government of Ontario—I can't remember which it was—agreed, and therefore asked that we redo the assessment based on 1988 values. There is never a right time to implement this, because it has taken 40 years for the system to get so screwed up that no government has had the courage to tackle it.

It would be an offence to the people of Metropolitan Toronto for this government to fail to pass this legislation, and it would be an offence to the people of Metropolitan Toronto for any political party to attempt to delay this legislation so that the decisions of Metro, the democratically elected government of Metro, cannot go forward in a timely fashion. We have had due regard to all of the representations that have been made to us at Metro, we have a bill that we believe is fair. All of the harbingers of doom and gloom I think will prove not to be true, but we will have the opportunity to see that in the first year of its implementation. And if there is a problem with the current scheme, Metro may make an adjustment to that scheme by adjusting the bylaw that's before us, that this Legislature is giving it the power to do.

So, I urge you, Mr Chairman, and I urge this committee to get on with the job. We've held our public hearings, we've listened to the public, and it would be a slap in the face of the citizens of Metropolitan Toronto to deny us the opportunity to have our democratically elected right and to bring this legislation forward. I urge you to pass it immediately.

The Chair: Thank you, Mr Moscoe. Three questions: Mr Turnbull, Mr Perruzza, and the final word to Ms Poole.

Mr Turnbull: Howard, I heard you speaking at Metro, and you said this was going to result in no increases in rent for tenants in apartment buildings. I'm sorry you weren't here earlier this afternoon to hear the very eloquent presentation by the Metro tenants' association, who very clearly spoke to the fact that there will be increases in rent as a result of this. They also recognized the fact that there is no way of getting the decreases to the tenants unless the $6 million to administer it is borne by Metro. I wonder whether you're planning the funds for that.

Also, there was a motion by Metro Toronto asking the province to correct the imbalance between tenants and single-family residences. This legislation does absolutely nothing to do that. Further, Barbara Hall, who spoke immediately before, commented on the fact that Bill Davis, who you cited, intervened in municipal matters to stop the Spadina expressway and she said that indeed they should in this matter.

Mr Moscoe: I'll take the last question first. Bill Davis didn't start the Spadina expressway, but he started market value assessment. It would seem rather improper for someone to start something and then stop it. The scheme for implementing market value assessment was started by the Tories, has been implemented in the majority of municipalities across the province, and this government ought not to interfere. Bill Davis was wise in this.

Mr Turnbull: So you think this was a good move by Bill Davis?

Mr Moscoe: I think it was, because it decentralized the blame. I don't for the life of me understand—

Mr Turnbull: No, you think MVA was a good idea of Bill Davis.

Mr Moscoe: I think the structure for implementing it was a wise structure, a useful structure—

Mr Turnbull: Which you're embracing. What about the tenants?

Mr Moscoe: I'm on the tenant pass-through committee, and I think the allegations you made are simply not true. The $6 million cost is—

Mr Turnbull: That's not what Metro tenants are saying.

Mr Mammoliti: Let him finish.

The Chair: Order. Mr Moscoe, you have the floor.

Mr Moscoe: Just as some home owners will receive increases, some tenants will receive increases.

Mr Turnbull: But you said in Metro that they wouldn't receive any increases. I heard what you had to say.

The Chair: Mr Turnbull, let Mr Moscoe respond.

Mr Moscoe: The scheme at Metro evolved. Initially, there was no 10% and 10% and 5% cap. That happened during the debate at Metro. You have to understand how municipal government works. Municipal government operates on a compromise principle. The scheme did change as it moved along, and initially there were no increases to the tenants. That became not possible to do. We wanted to protect as many people as possible. Yes, some tenants will receive some increases as a result of this. The majority of tenants will receive decreases, and substantial decreases, and yes, there will be a proper mechanism in place to pass through those decreases to tenants, and it will not cost $6 million. That's a figure that's subject to negotiations with the province. We believe—and I'm a member of the tenant pass-through committee—that figure can be substantially reduced, because we question some of—

Mr Turnbull: Howard, you spoke about—

The Chair: Mr Turnbull, I'm going to have to move on to Mr Perruzza.

Mr Turnbull: We've allowed him to be here when he wasn't on the list. I just want to ask him—

The Chair: No, I'm sorry, Mr Turnbull, please. Mr Perruzza has the floor. Order, please.

Interjections.

The Chair: Order. Mr Perruzza has the floor. Mr Perruzza, would you place your question, please. We're almost finished, so if we could just place our questions.

Mr Perruzza: My question is actually very simple. I just want to explain very briefly to people who are here why we're here, and then I want to give Councillor Moscoe an opportunity to respond to both my comments and I think he wanted to finish up with Mr Turnbull's.

The Chair: Can we keep the comments brief and the questions sharp, please.

Mr Perruzza: Very briefly, we're here not because we want to interfere with Metro's democratically elected right to do what it is that they've asked to essentially have done. That's what my understanding is. We're here and we've conducted 53 hours of public hearings so that one Conservative and one Liberal—

The Chair: Okay. Order, please.

Mr Perruzza: —and a couple of others who have shown up on occasion—

The Chair: Order. Mr Perruzza, order. I will not let you go on this way. We are at the end of a long weekend. To impute motive to any member is simply not acceptable. I would ask you to please place your question to Mr Moscoe. I don't want any more of the kind of comment I've just heard.

Mr Perruzza: Why do you think we're here, Howard?

Mr Moscoe: I think you have responsibility to examine the details of the legislation, but I think that once the details have been examined, you have a responsibility to pass the legislation on.

The bill has within it enough flexibility for Metro to make the adjustments that may be required if it's deemed required to have adjustments. But Metro did have extensive hearings on this matter and I don't understand why you would want to treat Metropolitan Toronto any differently than you've treated the other 750 municipalities across the province who have implemented a form of market value assessment. When the Liberal government was in power I believe it allowed Sudbury to phase in market value assessment over two years, but no other municipality has come forward with as extensive a package of protections for its residents than has Metropolitan Toronto. That's why you require an act of the Legislature.

I would urge you to move this matter forward. It's not your decision to make, it is our decision to make, and let us stand or fall on the basis of the decision that we make.

The Chair: Last question to Ms Poole.

Ms Poole: Mr Moscoe, welcome to the committee. It's been a somewhat heated welcome, but welcome none the less.

You've made a number of statements which I would—maybe "challenge" is too strong a word, but certainly disagree with. I'd like you to comment on any of my responses to you.

First of all, you've said that 730 municipalities throughout Ontario have been reassessed and the provincial government has not interfered with them, so why would you treat Metro any differently?

I would submit that there are two basic differences from any other municipality that's reassessed across the province. First of all, most of those reassessments were done by the local municipality, ie the city of Toronto, not the regional municipality. In instances where it was the regional municipality, it was with the consent of the major players in that municipality.

Second—

Mr Moscoe: Do you want me to respond to these one at a time or take them all at once?

Ms Poole: I don't think the Chair will let you.

The Chair: Ms Poole, if we could keep it short, please. We really are at the end of everybody's patience, and I would like us to finish.

1750

Ms Poole: Secondly, in other instances they were straight section 63 or section 70 of the Assessment Act. There has never been such a convoluted hodgepodge as this Metro plan.

The second point in the same vein is that you have said the province should not interfere and the province does not have the right to intervene. I will give you two instances of the spillover damage outside Metro that has been inflicted by this Metro council.

The first is the fact that Ontario Hydro will have a tax bill increase in excess of $60 million per year. This bill will have to be paid by every ratepayer, every hydro user, in the province. The second instance is the railway rights of way. The railways have made it very clear that across the province they will be reducing services, cutting services, and there will be

job losses across the province because of Metro's plan and the unexpected increase of $40-million-plus taxes.

The Chair: Ms Poole, I'm sorry, but could you bring your question to a point?

Ms Poole: I will bring this to a close and just ask you how you can say that the province should not intervene when it is clear that the province has an interest and that the province's duty is to protect not only the people of Metro but—

Mr Moscoe: The railways?

Ms Poole: The people who lose their jobs in those railways, the people who have to pay extra hydro rates, Mr Moscoe. Would you please respond?

Mr Moscoe: I'll try to take them piece by piece. First of all, as to the matter of consent, in fact when Metropolitan Toronto applied for a market value assessment study, they did it collectively, and it was a number of years ago. In fact they had the tacit consent of all the municipalities within Metropolitan Toronto. Otherwise, those studies could not have taken place. But it was done on a regional basis.

As to the hodgepodge, as you call it—and I take it your position is that Metro should have straight market value assessment, which would be devastating to your constituents in East York, absolutely devastating—Metropolitan Toronto has taken—

Ms Poole: First of all, I do not represent East York.

Mr Moscoe: Well, Mr Chairman, excuse me, but may I—

Ms Poole: I do not represent East York.

Mr Moscoe: Well, wherever your constituents may be—

Ms Poole: And I do not support market value assessment.

Mr Moscoe: Well, your constituents in Rosedale or North Toronto or wherever they might be—

The Chair: Mr Moscoe, if you would just answer the question.

Mr Moscoe: —would be devastated by a full market value assessment scheme. So what you call a hodgepodge in fact is a package of protections for your constituents. I would be very disappointed if this scheme went forward without those protections in place, and I would hope you would support those protections being put in place.

Ms Poole: I do not support market value assessment.

Mr Moscoe: Well, you will not have that choice to support market value assessment, because Metro has an interim assessment scheme that is not market value, that in fact builds those protections in for your constituents.

Ms Poole: Give me a break.

Mr Moscoe: But the other municipalities in the province, the vast majority of them, have done full market value assessment. Slam, they've hit their constituents with market value assessment. If that's what you want, then don't support this legislation.

Thirdly, as far as Ontario Hydro is concerned, Ontario Hydro rates will always increase. There will always be a reason for them to increase.

Ms Poole: Not because of Metro's plan.

Mr Moscoe: You don't lay it on market value assessment.

Finally, with respect to the railway rights of way, first of all, the railways were gifted those lands by the government of Canada. They didn't pay for those lands and they've been paying underassessment on them for many, many years at the expense of the people of Metropolitan Toronto. Now, the best way to get the railways to do something with those lands is in fact to raise the taxes on them so they'll be encouraged to develop them and sell them, maybe even deed them to the city of Toronto for use as parks. That's the answer to the railways.

I understand they've conducted a significant lobby here. They'll have the opportunity to conduct their lobby at Metro before we in fact pass our bylaw. That's built into the legislation. We'll meet them and we'll deal with them in our way. So thank you very much.

The Chair: Thank you very much for your presentation. If I could, to the committee, before we adjourn, I just want to check something. Everyone in the committee should have the schedule tomorrow, such as we have it at this time, beginning at 9:30 here in this room.

Mr Perruzza: Can I ask a question about procedure before we leave?

The Chair: Okay, it's just that Mr Mammoliti—

Mr Perruzza: When would you need to report?

The Chair: Mr Mammoliti.

Mr Mammoliti: Let me ask mine. Mr Chair, I'm not going to take a lot of time, but we're going into the 55th hour here of hearings. Yesterday in my community—I've had to answer a lot of questions in terms of why I'm not there. Explaining that we're into 53—55 now—hours of hearings is pretty difficult to explain to your constituents.

Mr Turnbull: And you're not getting any overtime.

Mr Mammoliti: They also are concerned in terms of how much this has cost the taxpayer, and at this point, Mr Chair, I'd like to ask how much money this has cost the taxpayer to conduct this opposition-driven hearing we're into at this point. How much has it cost? How quickly can I get that information?

The Chair: The question is noted and we'll check it out for you. We're meeting tomorrow at 9:30. We stand adjourned until that time tomorrow morning.

The committee adjourned at 1756.

Substitutions present / Membres remplaçants présents:
Frankford, Robert (Scarborough East/-Est ND) for Mr Gary Wilson
Mammoliti, George (Yorkview ND) for Mrs Mathyssen
Mills, Gordon (Durham East/-Est ND) for Mr Martin
Perruzza, Anthony (Downsview ND) for Mr White
Poole, Dianne (Eglinton L) for Mrs O'Neill
Turnbull, David (York Mills PC) for Mrs Witmer

Also taking part / Autres participants et participantes:
Mills, Gordon, parliamentary assistant to the Minister of Municipal Affairs

Clerk / Greffier: Arnott, Douglas

Staff / Personnel: Richmond, Jerry, research officer, Legislative Research Service

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STANDING COMMITTEE ON SOCIAL DEVELOPMENT

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*__Acting Chair / Président suppléant:__ Owens, Stephen (Scarborough Centre ND)
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Wilson, Gary (Kingston and The Islands/Kingston et Les Îles ND)
Wilson, Jim (Simcoe West/-Ouest PC)
Witmer, Elizabeth (Waterloo North/-Nord PC)

*In attendance / présents

(*Continued overleaf*)

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Monday 7 December 1992

Standing committee on social development

Metropolitan Toronto Reassessment Statute Law Amendment Act, 1992

Chair: Charles Beer
Clerk: Douglas Arnott

Published by the Legislative Assembly of Ontario
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Deuxième session, 35e législature

Journal des débats (Hansard)

Lundi 7 décembre 1992

Comité permanent des affaires sociales

Loi de 1992 modifiant des lois en ce qui concerne les nouvelles évaluations de la communauté urbaine de Toronto

Président : Charles Beer
Greffier : Douglas Arnott

Publié par l'Assemblée législative de l'Ontario
Éditeur des débats : Don Cameron

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LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON SOCIAL DEVELOPMENT

Monday 7 December 1992

The committee met at 0941 in room 151.

METROPOLITAN TORONTO REASSESSMENT
STATUTE LAW AMENDMENT ACT, 1992
LOI DE 1992 MODIFIANT DES LOIS
EN CE QUI CONCERNE
LES NOUVELLES ÉVALUATIONS
DE LA COMMUNAUTÉ URBAINE DE TORONTO

Consideration of Bill 94, An Act to amend certain Acts to implement the interim reassessment plan of Metropolitan Toronto on a property class by property class basis and to permit all municipalities to provide for the pass through to tenants of tax decreases resulting from reassessment and to make incidental amendments related to financing in The Municipality of Metropolitan Toronto / Loi modifiant certaines lois afin de mettre en oeuvre le programme provisoire de nouvelles évaluations de la communauté urbaine de Toronto à partir de chaque catégorie de biens, de permettre à toutes les municipalités de prévoir que les locataires profitent des réductions d'impôt occasionnées par les nouvelles évaluations et d'apporter des modifications corrélatives reliées au financement dans la municipalité de la communauté urbaine de Toronto.

The Acting Chair (Mr Ron Eddy): Good morning, ladies and gentlemen. The standing committee on social development to hear representations on Bill 94, Metropolitan Toronto Reassessment Statute Law Amendment Act, 1992, is now in session. Welcome, and we'll proceed with presentations.

WOMEN PLAN TORONTO

The Acting Chair: The first presentation, Women Plan Toronto—is their representative present? Would you like to sit up at the desk, please. Use the mike and announce your name and the group you represent, if you would. We have, I believe, 20 minutes for a presentation, which will include questions, if any, by the members of the committee. Welcome.

Ms Shirley Roll: Thank you. My name is Shirley Roll. I'm with Women Plan Toronto.

There are several reasons why Metro's proposed market value reassessment is a problem for the women of the city of Toronto. The majority of women in the city of Toronto are tenants. Many of the women are on fixed incomes, including many of the elderly, single moms and the disabled. These women simply cannot afford rent increases to cover the cost of increased taxes on their buildings.

Many of the older women who are not tenants are none the less on fixed incomes and trying to remain in their homes in their communities. Significant increases in their taxes may well force them out of their homes. This runs counter to our intentions of helping our seniors to age in place, and certainly would be detrimental financially, socially and psychologically to those individuals forced out of their homes.

Women in the labour force are still earning less than 70% of what men in the labour force are earning, and it appears that our provincial government is pulling back on its commitment to rectify this situation. Many of these women are also sole providers and care givers to others—children or parents—on their limited wage. Most of these women cannot afford increased taxes.

Over the past couple of years there have been massive funding cuts to support services for women. Those service providers are struggling to exist without the burden of increased taxes. Tax increases could put them over the edge.

The impact of MVA on the business community threatens the safety of Torontonians on their streets. Many retail businesses have not made it through the current recession. Others who have managed to hang on are concerned that MVA will be enough to force them out of business. We need streets with the life that viable retail enterprises foster. These are generally safe streets because they are occupied.

The current taxation system is not fair, but we are not convinced that what Metro proposes is fair either. Basing the taxation system on property values, particularly inflated property values of 1988, is not the most fair way of doing things. As we've seen, property values behave somewhat like yo-yos and have no accountability to the intentions set out in our official plans. The least we can do is wait until the Fair Tax Commission has released its findings and recommendations before deciding the best way to alter our tax structure.

The health of the centre of the city, as Toronto is to Metro, is vital to the health of the whole. Numerous American cities have demonstrated what happens when care is not taken to ensure that the core remains vibrant. It is what the city of Toronto has to offer that entices visitors and business concerns to come to Metro.

We can appreciate that Metro is in a tight spot financially; we all are. It's just not worth killing the heart of the city to temporarily ease Metro's financial situation. Our American examples illustrate just how difficult it can be to recover the heart once it is gone.

Recognizing the importance of a vibrant core, there is apparently a special tax in the city of Cincinnati that the outlying regions of that city are required to pay and which is directed back into the centre of the city. Perhaps the Fair Tax Commission, or whichever is the appropriate body, should investigate this to determine how it works before any reassessment scheme is adopted for Metro. Thank you.

The Acting Chair: Thank you. Questions? Dr Frankford.

Mr Robert Frankford (Scarborough East): I'm a Metro member but from an outlying part, from really as far as you can get before you reach Durham. Let me turn it around, because we've heard a lot about this argument

about the viability of downtown and the potential dangers, but let me turn it around to my perspective.

There is agreement that my area is overtaxed to the residents there, so your point about the difficulties of affording to live there exists right now. But in addition, we're looking at the urban form and the risks there. It is a low-density area. There are undeveloped areas and there are wide streets. I believe it could do very much with intensification, and we keep on hearing that the centre's intensification is everything that has to be preserved.

In addition, we often heard this argument about the analogy with American cities. We have not had the opportunity of analysing in detail what American cities are about, but my impression is that we're really dealing with a very different situation and that one gets suburban areas there, really very different municipalities which have deliberately low taxation, low density and middle-class flight, which is often being followed by employment flights, so that the equivalent of the financial area is actually following and the white-collar jobs are going there. This is a significant part of the downtown US city pattern that we're seeing.

I think there are very strong differences in what we have right now with our Metropolitan government and I think that they're going to continue so. Do you have any comments?

Ms Roll: I don't know all the details. I've only heard that this is the case in Cincinnati. My feeling is that Metro seems not to have spent a lot of time researching the assessment scheme that it's been trying to put in and it's just been sort of bulldozing ahead.

I guess my suggestion is, why don't we wait for the Fair Tax Commission, find out what they have to say and explore how other cities are doing it? Perhaps the Cincinnati example is not appropriate to Metro.

Mr Frankford: I don't know either. I would suspect that one is dealing with something more equivalent to the GTA than Metro Toronto per se.

The Acting Chair: Thank you. Mr Grandmaître.

Mr Bernard Grandmaître (Ottawa East): Let's go back to the Fair Tax Commission. The Fair Tax Commission was instituted or created to find a more creative way or a more equitable way to tax people, not only property taxes but any tax, every tax, I should say. Why do you think that Metro and this government are trying to push this bill through before looking at the Fair Tax Commission report?

Ms Roll: One of my two guesses would be that they are in a financially difficult situation. There have been greater demands, due to the recession, on Metro's funds, so it would like to get it through as quickly as possible to help that situation. But the other thing that often happens is that once a decision has been made at a level of government where policies are set, it's very difficult to take it back and rethink it. If they are sold on this particular scheme, of course they're going to try to push it through before they're forced to rethink it and think about different schemes.

0950

Mr Grandmaître: Would you be surprised if I was to tell you that Metro won't be making any more money? They won't be receiving more moneys.

Ms Roll: If they don't get any more money, then everybody loses, because those entitled to the tax decreases probably won't get them and those who have to pay the increases will obviously have to pay the increases.

Mr Grandmaître: The bottom line is that the six municipalities won't be losing money. It's a break-even situation, but more balanced. This is what they're saying. It'll be more balanced; it'll be a fair tax.

But I still can't understand why the government is pushing Bill 94 before looking at the fair tax proposal. I haven't seen it. It's called a unit assessment plan or scheme. I'd like to see it to find out the differences between what's existing now or what's before us and what the Fair Tax Commission is recommending.

I don't blame you; you should be concerned. You're absolutely right when you say that women and especially our senior citizens will be dearly affected by some of the moves proposed by Bill 94. Thank you for being with us this morning.

Mr David Turnbull (York Mills): You make very important points. Metro actually requested the government to address this historic imbalance that exists with respect to taxation of apartments. Tenants are taxed at three and a half times the rate that single-family homes are.

I want to basically demolish the argument that Mr Frankford made to you. We had a witness who came here who lives in Scarborough and has a shop in Scarborough and also has a shop at Yonge and Eglinton. She was speaking against MVA, and she testified that her home in Scarborough, backing on to a ravine and looking on the lake, is currently taxed at $3,000 and is actually getting a tax reduction, whereas the small, unfinished apartment above her store at Yonge and Eglinton is taxed at $6,000.

So all of these stories about Scarborough being overtaxed are if you buy into the proposition that the convoluted scheme that Metro has come up with is correct and that the assessment that was done in 1988 is correct. Both of these are highly questionable, given the fact that we know that some college students did a lot of the assessments and there are so many mistakes that the courts are going to be filled with appeals.

It is a fact that under full MVA, which is known as section 70, we have the numbers for 1984, and Scarborough would actually pay more than it currently pays now. So it's a very narrow view that is being taken by Dr Frankford when he suggests that it is generally accepted that Scarborough is paying more than its fair share. The city of Toronto actually transfers in excess of $300 million a year to Scarborough for education purposes.

Indeed, we need a more fair tax system. I'm not setting out to bash Scarborough, because there may be many cases where people honestly are paying too much tax. But to depict it as being an absolute that Scarborough is paying too much depends purely on your definition and accepting the 1988 values and accepting something less

than full market value, which would in fact shift a burden to Scarborough.

You raised a second most important point, and that is, why aren't we waiting for the Fair Tax Commission to report? We see in the paper today an interview that Dave Cooke, the minister responsible, had with the Globe and Mail on Saturday, where he said that these are becoming repetitive and that he thinks we should get on with it. He said that he wants to get this legislation through this week, and yet the Fair Tax Commission report is coming out on Wednesday.

In other words, they don't want you to have a chance to look at it and understand it and give some sober consideration to the report. Taxpayers' money has been put into paying for this extensive study. They're not interested in it. They want to push through this legislation. I think it's going to be to the detriment of tenants because if you don't take an opportunity like this to address the historic imbalance that tenants have, you're never going to do it. In other years, the money won't be available because it won't be a fluid pool.

Could you maybe respond to that long diatribe? I'm sorry.

Ms Roll: I guess I agree with you. I also read the Globe and Mail this morning and one of the reasons I didn't even bother bringing photocopies was because I figured that most of you wouldn't be listening to me anyway. I'm pleased that you are.

Mr Turnbull: I assure you that the people on this side are listening to you.

Ms Roll: I can hear that. That's terrific.

Mr Gordon Mills (Durham East): What makes you think we're not? I object to that.

The Acting Chair: Continue, please.

Mr Mills: That's awful.

Ms Roll: I agree that when I read that the Fair Tax Commission findings were due out this week, and that Mr Cooke had said they just want to vote on it and get the bill through, I was quite discouraged.

Mr Turnbull: Yes.

Ms Roll: It doesn't make any sense to me to bulldoze it through without looking at the options, and like all of you I don't know the details of the unit assessment proposal, but on the surface it looks like it makes more sense because it's not going to bounce around like a yo-yo the way property values are going to. I would like to know more of the details before this kind of scheme gets put through.

Mr Turnbull: Thank you very much.

The Acting Chair: Questions? Mr Rizzo.

Mr Tony Rizzo (Oakwood): Can I ask where you got the information that Mr Cooke wants to pass it through without any consideration to amendments to the bill? Where have you read that?

Ms Roll: I'm not sure it said he wanted to push it through without amendments. It said that he wanted to get the bill put through as soon as possible, even before Wednesday, if possible, even though I believe that's when the vote is scheduled for on the bill. From my reading of the article—I don't have it with me; I don't remember exactly what was said—it sounded like he wasn't interested. Oh, that's it here?

Mr Rizzo: That's right.

Ms Roll: Okay.

The Acting Chair: It's perhaps more appropriate to ask Mr Cooke if the question is to be asked. Do you have a response?

Mr Rizzo: What I am saying is that Mr Cooke never said that he wants to push the bill through without all the information from the public. We have been sitting for two weeks, day and night and the weekend, and so we are absorbing all kinds of information. What he was saying is that apparently the public is becoming repetitive, and how can it not be that? We all know the problems. You know the problems and you come here and express your opinion. Other people feel the same way and they express their opinions. It's a matter of fact that people will be repetitive.

The Acting Chair: Mr Rizzo, do you have a question? You asked a question earlier. Does the presenter wish to answer the question?

Mr Rizzo: The question is this: Do you think two weeks of full hearings, morning, afternoon and evening, from all kinds of people, from all kinds of groups, are going to be enough for us to take a decision, in view of the fact that the House should adjourn at the end of the week, as a fact?

1000

Ms Roll: Yes, theoretically, two weeks of hearings should give you enough input in order to make your decision, but I'm not sure where the two weeks comes from. My understanding is this started last Monday and the vote is this coming Wednesday, which is a total of a week and a half, not two weeks.

Mr Rizzo: When we talk about how we meet, standing committees meet only one afternoon every day. We are meeting mornings and afternoons and evenings. As interpreted by our procedures, eery day stands for three full days. Usually we meet on Monday, Tuesday, Wednesday and Thursday. We met on Friday; we met on Saturday; we met on Sunday.

Mr Turnbull: Where were you?

Mr Rizzo: I was here.

The Acting Chair: Mr Rizzo, what is the purpose of the question? The witness has made a presentation.

Mr Rizzo: What I'm saying is that it's not only two weeks. Usually, it's two weeks times three in terms of hours and the number of people listened to. Do you think that time is going to be enough for us to make a decision?

The Acting Chair: Do you wish to respond to the question?

Ms Roll: I think I already responded.

The Acting Chair: Yes. Thank you very much.

Mr Turnbull: Before you leave, I have a point of order.

The Acting Chair: Yes.

Mr Turnbull: I asked the parliamentary assistant not to leave the room, because I told him I was going to ask a question. He said that he objected before. Do I take it that he was objecting to the witness saying that the government isn't listening?

Mr Rizzo: How can the PA answer the question if he's not present? It doesn't make any sense.

Mr Turnbull: Precisely. I asked him not to leave.

The Acting Chair: Gentlemen, please.

Mr Rizzo: It does not make sense—

The Acting Chair: Mr Rizzo, please address the Chair.

Mr Turnbull: Mr Chair?

The Acting Chair: Yes.

Mr Turnbull: I want clarification from the parliamentary assistant. He refused to wait for me to ask this question.

Mr Rizzo: This is not a point of order, Mr Chair.

The Acting Chair: Just let Mr Turnbull finish and I will respond.

Mr Turnbull: He was objecting at the point that I said certainly the people on this side are listening. If he is reading something else into that, let him do it, but basically, is he objecting to the witness saying that her opinion is that the government isn't listening?

The Acting Chair: Thank you, Mr Turnbull. Mr Mills advised me at the beginning of the meeting that he had to leave at a certain time for a very few minutes. He did object, as I noticed, and you have responded to that. He will be returning in a very few minutes and we'll have the opportunity. He asked me for permission to make a short statement before he left and that wasn't possible with the questioning.

Mr Turnbull: In that case, could we possibly ask the witness to stay in the room until he returns, because I would like clarification on this, whether he's objecting to the witnesses making their comments?

Mr Frankford: On a point of privilege, Mr Chair: If there's a suggestion that members on this side are not listening, I would like to draw to your attention that I made a fairly lengthy comment based on the witness's remarks.

The Acting Chair: Yes, that was noted. You had the first question.

Thank you for your presentation. You are invited to stay, as the parliamentary assistant will be returning shortly. You've noted that, I guess.

EMMESS EQUITIES INC

The Acting Chair: The next presentation is by Emmess Equities Inc. Is there a representative present at this time? Would you come forward, sit down and use the microphone and give your name and the company you're representing and make your presentation, please. We have 20 minutes for presentation and questions by the members of the committee. Welcome.

Mr Samuel J. Sable: Thank you very much, members of the committee, for giving me the opportunity of expressing some of our concerns about the issue. My name is Samuel J. Sable and I represent Emmess Equities and also a number of the building owners and operators in the Spadina core and west to Dufferin Street, south to the Gardiner, bordered by Queen Street on the north.

We operate a number of warehouse and factory buildings in the downtown core and we are compelled to ask the question, why now, when the economy is the worst it's been in many, many decades, in fact worse than I have ever experienced in my history of 50 years in this business? Why now, market value as of 1988, when frenzied buyers were speculating and assembling and buying real estate, to use the trite expression, "like it was going out of style," like never before in the history of this business, and in my humble opinion, never again will we see this kind of speculation and frenzied buying?

We ask the question, "Why now?" when the same properties that were being sold for two and three and four times what they were selling for before, each time at a higher price to the succeeding buyer—it's just like the stock market. Why now? For example, our buildings, and there are other building operators, have a vacancy factor of 65% in the downtown core, which will likely be 70% after the first of the year.

We ask the question, is it etched in stone that this new assessment formula must be put in place immediately or else? Mr Rizzo, you were the one who made the statement that this system is not perfect, that this system is not fair, but it's better than the one we have in place. Am I correct in that?

Mr Rizzo: Yes.

Mr Sable: Just because it's not fair, certainly it's not fair to implement it if it's not fair. We rely on the government to be fair with us. I stated that in 50 years in business, we haven't had as many bankruptcies, abandonments and closures of businesses as we have had in the last 24 months, in all our history. It's inconceivable, but obviously the general public doesn't realize this.

You picture an artist who has a loft space in one of the buildings in the core and is struggling. He can't pay his rent now, where every penny means something to him. Can he be charged with this excess? He's struggling to stay in business—or the little carpenter who is making chairs or tables or stools or something, and he can't pay for his rent as it is today. Many of them are behind three and four and six and eight and 10 months. They haven't got the money. They have to go out of business. If this continues, they will have to go out of business like so many others have.

I'm afraid that we are going to be left with a huge number of abandoned buildings which as of now it's very, very difficult for us to maintain, let alone with the grossly unfair added taxes that are proposed to be levied upon us.

Because a building in 1988 was flipped three or four times and wound up with somebody paying 300% to 400% more than what the same building sold for in 1985 or 1986, the owner of the building down the street is taxed on the basis of the so-called "market value," the market value, they say, of the building that's speculatively sold for a

grossly inflated price either because of the frenzied buying, because the buyer specifically needed that location and was willing to pay any price for it, or because of an assembly. This does not create market price. This is unfair and it's not really a true assessment and a true interpretation and definition of market price.

I submit to you respectfully, members of this committee, that any of these buildings in the areas I'm speaking of that are being assessed today at the assessed value that is being contemplated, I challenge anyone in this community to be able to sell those buildings for half the price at which they're being being assessed today. I make that an irrevocable challenge.

1010

I think we should realize that the buildings in the downtown core are mostly these factory and industrial buildings that are mostly obsolete. They are obsolete because they were built in the early 1890s up to the period of perhaps 1925-26 and they do not have the facilities that heavy industry, for example, would require.

The textile industry which used to occupy the central core buildings in the Spadina core is practically extinct. They failed, went bankrupt, were abandoned, moved out in the middle of the night or just closed up and handed the landlord the keys, leaving most of these buildings either half or three quarters vacant.

My personal opinion is that this core I'm speaking of will become a ghetto, that the owners won't even have enough money to tear the buildings down and that the city will be left with the responsibility of taking care of these buildings. The city will lose the taxes it is presently getting on these buildings.

We are striving very hard to try and wait to see that this thing turns around and that we will be able to meet our obligations. Banks have seized up on us like they have on every other business, mostly in the real estate business. The small businessman doesn't have a chance at all. He's cut off completely, and we are down to a fraction of what our allowances at the bank, what our lines of credit are today.

I might be so bold as to suggest to the committee that it might be wise, on the government's part, to go through the Spadina corridor and west through to Dufferin or Ossington or Shaw or Dovercourt and go south as far as the Gardiner Expressway and see what is happening in that area. I respectfully suggest that an in-depth study should be made of these areas. You can't just go ahead and plank on a tax like this arbitrarily. With respect, I submit that it is arbitrary. I think this certainly deserves at least that part of it.

Mr Rizzo mentioned just a few minutes ago that the committee has been working for two weeks on this and "Don't we think it's enough time?" My answer is, certainly not. Just listening to a couple of hundred people is certainly not the path I think this committee should follow.

I'm not trying to tell you how it is, but I think you should see for yourselves what is happening, and you can't do it by just listening to the people. You have to see what is happening out there. You have to go down to these people and go into these small businesses and ask them questions. These are the people who make up the fabric of this community.

I submit to you, my friends, that there will be thousands of jobs lost as a result of this procedure, thousands of casualties and millions of tax dollars lost to the city. I beseech you, gentlemen, surely this legislation could be put on hold, the way many other pieces of legislation are put on hold, not only for weeks or months but sometimes for a year and sometimes beyond that.

We feel this business of vacant lands not being capped, for example, is entirely ridiculous and unfair. It has no rationale to it. We have a three-storey building of 10,000 feet, and it has a little bit of parking at the back for the shipping. They call it Waterloo Terrace. According to the assessment, it went from $775 in commercial realty taxes in 1992 to $7,047. It's unheard of. It boggles the mind to see these kind of figures of 10 and 20 times the amount of what the present taxes are.

There's a building a couple of doors away from one of our buildings. It was flipped three times in 1988. The last buyer, who was a retail brewer, had a restaurant and licence and wanted this particular location. The first sale was made at around $700,000, the second one at $1.05 million, I recall, and the third one—this is all within weeks—at $1.25 million. Our building is taxed on the basis of that building because it was flipped three times. This is what is labelled as market value.

I submit to you, gentlemen, that this is totally unfair, and it is not like the government not to put in an in-depth study on a major, major issue such as this. I beseech you, for the benefit of this beautiful community, to please take another good, hard look at it.

The Acting Chair: Thank you for your presentation. There are questions, I believe.

Mr Turnbull: Thank you very much. You very eloquently spoke about the rise and fall in values of commercial properties in the downtown core. You spoke about the fact that the factories in the downtown core are now obsolete. We've had a lot of presentations on this subject, and believe me, I'd like to explore that more.

But perhaps most of all I would like to ask you to speak about the fact that it becomes apparent from the kind of answers we're hearing from the government that it's saying, "There may be some things wrong with this, but there's going to be some wonderful new scheme in the future." However, they don't believe this is going to lead to economic hara-kiri in the downtown core in the interim period. Even if you believe that they're going to have this marvellous new plan we've been pushing for—we've been saying we need something like unit assessment, which is not subjective but is a quite objective method.

1020

Quite apart from that, I'm saying in the meantime, if you believe something is going to happen, and I for one do not believe because we haven't heard any timetables or any suggestion as to what they're going to do—but the bottom line I'm asking you is, they don't seem to believe this is going to lead to the absolute bankruptcy of many businesses in the downtown core, and not just in the downtown

core, businesses right across Metro and, as you correctly said, there's an awful lot of small, commercial buildings selling today for 50% or, in some cases less than 50%, of what they were trading for in 1988.

I know that as a commercial real estate broker, you know that as an owner, but could you try to give a message in your answer to tell them why this is not scare tactics, this is the case? Talk about mortgage defaults and things like that. Could you just give us some examples?

Mr Sable: I come back to the suggestion I made that seeing is believing, and you can't understand why we're talking about what you term as scare tactics. It is not scare tactics, it is real. Go in and talk to those people. There isn't a day in the week—and I tell you this, God's truth as today is Monday—that we don't have two or three tenants coming in and beseeching us: "Please, we want to stay in business, Mr Sable. Unless you reduce the rent by 50%, we cannot stay in business." When we reduce it by 50%, we still have to wait two and three months for that cheque. And you tell me this is not scary? This is unbelievable and I speak from experience.

Mr Turnbull: And that's even without tax increases that you're having this problem.

Mr Rizzo: I have a couple of questions for you. First of all, I want to state a couple of things: This proposal is not in place yet and all the problems you mentioned before, of course, are not caused by this proposal yet. I would suggest the economic problems that we are facing have been caused by others and from other people rather than Metro or provincial governments. I would suggest that free trade was the cause of all the problems we all are facing now, and free trade wasn't imposed by Metro or by the provincial government, but by Mr Turnbull's friends in Ottawa. That's number one.

Number two: We have to understand that what we have now is market value. The only difference between this market value and a new market value that Metro want to impose is just a matter of numbers. If these same properties were assessed at the raised number 40, 50 years ago—1942, when this plan was introduced for the first time—we wouldn't have any difference. The only thing that is going to happen now—

The Acting Chair: Mr Rizzo, do you have—

Mr Rizzo: —is the assessment level, nothing else. It's not the total number—

The Acting Chair: Mr Rizzo, do you have a question, please? We're in the question period and we have a very short time. Please present your question.

Mr Rizzo: Do you know that when you hear people like Mr Turnbull talking about 1988 assessment, it means absolutely nothing because, if the assessment was made in 1987, 1985 or 1989, it would have meant nothing as a total revenue to the municipalities? So if your property is assessed $100,000 or $1 million, in relation to all the other properties, the amount of money the municipal government would take from you would be exactly the same.

It's just a matter of numbers again. If there are 10 properties in one municipality and the total revenue for the—

The Acting Chair: Mr Rizzo, I insist on a question.

Mr Rizzo: But I had to explain about the kind of question—

The Acting Chair: Please, can we get to the question? We're short of time and there is one more question.

Mr Rizzo: Do you understand that if the assessment was made based on 1966 with the same principle, with the same ideas, you would pay totally the same amount of taxes, that it wouldn't have made any difference at all?

Mr Sable: I don't agree with that at all.

Mr Rizzo: But this is a fact.

Mr Sable: No, it's not a fact, sir.

Mr Rizzo: Can we have the expert, maybe, explain that?

The Acting Chair: Sorry, what is your question of the—is this legislative counsel?

Mr Stephen Owens (Scarborough Centre): On a point of order, Mr Chair: We have a ministry representative behind Mr Danielson, if he can answer the question.

The Acting Chair: The question is—just clarify it, please.

Mr Rizzo: The question is, if the assessment was made in 1986 or 1989 or 1991 rather than 1988, the total amount of money as revenue to the municipality wouldn't have changed.

Mr Sable: Excuse me, Mr Rizzo. You said 1956 or 1966.

Mr Rizzo: It makes no difference. It doesn't matter.

The Acting Chair: Excuse me. The question is, then, that regardless of the base year for the assessment, the amount of money raised does not change.

Mr Rizzo: It wouldn't change.

The Acting Chair: Do you wish to comment on the question? Are you clear on the question?

Mr Almos Tassonyi: Yes, Mr Chairman. My name is Almos Tassonyi. I am a senior economist with the municipal finance branch of the ministry. As I understand Mr Rizzo's point, on the whole, the reassessment scheme is revenue-neutral. That is to say it doesn't matter which year a reassessment is implemented; the total amount of taxes will remain the same. Now, of course, in the new year we'll have mill rate increases and so on to raise the new amounts of money necessary, but the specific point that Mr Rizzo is making is true.

The Acting Chair: Thank you. Mr Grandmaître, next question?

Mr Grandmaître: Thank you, Mr Chair. Let's talk about the possibility of a speculation tax. You referred to speculators—

Mr Rizzo: You didn't know that.

Mr Turnbull: It's rubbish.

Mr Rizzo: You didn't know that.

The Acting Chair: Mr Grandmaître is speaking.

Interjections.

Mr Rizzo: I'm sorry. But of course—

Mr Turnbull: I beg your pardon? What am I supposed to learn?

Mr Rizzo: You've tell people—

Mr Turnbull: I'm telling the truth.

Mr Rizzo: You are not telling the truth.

The Acting Chair: As Chair of the committee, I call you to order. Mr Grandmaître is speaking.

Mr Turnbull: Okay. Excuse me, Mr Chair.

The Acting Chair: Point of order?

Mr Turnbull: He has just made a suggestion that I am not telling the truth. He has to withdraw that.

The Acting Chair: I did not hear the statement. Mr Rizzo, do you wish to respond? Very quickly, please. We have another—

Mr Rizzo: Mr Turnbull said, "You are telling me I'm not telling the truth." No, as a matter of fact, he said, "I'm telling the truth"—he's telling the truth. I'm saying—

Mr Turnbull: You said I am not telling the truth. You said it.

Mr Rizzo: I am saying now I'm of a different opinion.

The Acting Chair: Mr Rizzo, can you withdraw the remark if you made such a remark? Would you do that, please?

Mr Rizzo: Yes, I can reaffirm that I am of a different opinion from what Mr Turnbull says, and I apologize to the—

The Acting Chair: Thank you very much. Now, Mr Grandmaitre, you have the floor. Quickly, please.

Mr Grandmaître: Let's go back to more serious problems. Let's talk about the possibility of a speculation tax. You'll recall that when this government introduced the Fair Tax Commission, one of the responsibilities of the Fair Tax Commission was to look at 53 or 52, I think it was, different taxes that are imposed on people. Do you think that a speculation tax should be imposed—not imposed, but introduced—before this scheme or model of taxation, the MVA, is accepted? Do you think we should look at that possibility? Because you have told us that speculation was maybe the biggest problem in Metro.

Mr Sable: I mentioned a number of reasons why these properties went up, and one was the frenzied buying that was going on. Everybody wanted to get on the bandwagon. But with great respect, Mr Grandmaître, I don't think the speculation tax is relevant. I think a speculation tax would be a good idea to explore, but I don't think it's relevant to the MVA issue at the present time. You said before this legislation goes through, and I think there are many things that should be done before the legislation goes through, before any legislation goes through. Perhaps they can arrive at a more equitable way of doing things and not try to put people out of business, people who are hanging on by their fingernails to stay in business today. This should be, I think, the subject that should be addressed.

Mr Grandmaître: In the Agenda for People, the NDP program, one of the reasons the Fair Tax Commission was introduced was to look at these taxation programs, and now I find it very difficult to accept that Bill 94 will be going through before the Fair Tax Commission with its eight different commissions or committees will be before this committee.

1030

Mr Owens: How do you know that, Ben?

Mr Grandmaître: How do I know that? Because it will be introduced on Wednesday, sir.

Mr Sable: I agree with you.

Mr Grandmaître: It will be introduced on Wednesday. What's the sense of having these hearings?

Mr Sable: What's the sense in having this Fair Tax Commission on it if you're not going to wait—

Mr Grandmaître: For the results.

Mr Sable: —for the answer before the legislation is put through?

Mr Grandmaître: Thank you.

The Acting Chair: Thank you for your presentation, Mr Sable.

Mr Sable: Thank you so much for the opportunity.

Mr Rizzo: Mr Chairman, could I ask one thing only?

The Acting Chair: Mr Rizzo.

Mr Rizzo: Sir, if you are here, you are not wasting your time. We are listening to you. Nothing has been decided yet. We are listening to you.

Mr Sable: Thank you very much, Mr Rizzo.

The Acting Chair: Thank you, Mr Rizzo, for your statement.

Mr Sable: Can I make a last remark, if I may, Mr Chairman? The 11th-hour option here is expiring apparently before the Fair Tax Commission is even listened to, and I think that's highly unfair. I don't think this has to be done. I think it can be put on hold.

The Acting Chair: Thank you for your presentation.

BARRIE CLULOW

The Acting Chair: The next presenter is Mr Barry Clulow. Mr Clulow, would you come forward. Unfortunately, you're only allotted 10 minutes, and we would hope there would be time for at least a very few number of questions.

Mr Barrie Clulow: There are two presentations. I'll be addressing the thinner of the two.

The Acting Chair: That's been circulated to the members of the committee?

Mr Clulow: Yes, it's embodied in the other one as well.

Good morning, Mr Chairman and honourable members. My name is Barrie Clulow. I'm a resident of Uxbridge in Durham region and I am a member of the Taxpayers Coalition Ontario. First, I would like to thank the committee for allowing me to make this presentation today.

My knowledge of the assessment system comes from interaction between myself and employees of the assessment department in the Ministry of Revenue both during presentations on market value and during assessment

appeals. I have dealt with assessors, assessment managers, assessment commissioners and an assessment lawyer. I have successfully effected reductions in hundreds of residential assessments. In one case, an entire subdivision's assessments were reduced because the assessor had misclassified the homes.

(1) Assessment is a provincial responsibility.

(2) Municipalities can and do request MVR.

(3) The request before you by Metro is not in keeping with current legislation and requires you to pass special enabling legislation.

(4) Home owners currently have a means of addressing assessment inequities within their own neighbourhood and class of property.

(5) Municipalities currently have a means of addressing assessment inequities between municipalities.

The current 20-odd years of inequities, not the 40 we keep hearing here, have been created since the province took over the responsibility of assessment from local government.

The provincial assessment department appears to be deliberately creating assessment inequities to force market value assessment upon the entire province, something, thank God, no government to date has had the resolve to do.

A previous presenter mentioned something to the effect that this Metro plan was a tar baby and the province should keep its hands off. I say just the opposite: The province must deal with this legislation by quashing it or it will be tarred for ever as the government which perpetrated this dastardly deed on Metro taxpayers and ultimately all taxpayers in the province.

Under current legislation, region- or county-wide market value assessment requires an automatic update every four years. This is nothing more than a giant make-work project for the assessment department, which according to those I have talked to recently is already overworked and understaffed. More civil servants equals more bureaucracy equals more taxes.

In a recent conversation with an assessment manager, he indicated that the assessment department would soon be a crown corporation and that all assessment work would be billed directly to the municipality, thus resulting in higher municipal taxes.

This and previous governments have been led down the garden path by bureaucrats. By using the politically correct catchwords of the day, they are methodically creating a need for bigger and bigger government. Enough is enough. We are already taxed to death.

An MVA example of two almost identical homes: The example walks you through the entire process and will show why the assessments are unfair and inequitable. The example shows how a one-year difference in construction can mean an $11,000 difference in the 1980 market value assessment of two virtually identical homes, located on the same street, built by the same builder and with similar improvements to each home. Property A was built in 1969; property B was built in 1970.

The calculation goes something like this. They take the replacement cost new in 1969, multiplied by a location modifier, multiplied by the percentage good to give you the depreciated value, and you'll note that they're $41,113 and $41,907. That depreciated value is then multiplied by the additive value to give the building value. Add the lot value to get the 1980 market value and you end up, miraculously, at $77,558 and $66,098.

You will notice the only real difference in how the two properties are handled by the assessment department is the factor called additive value or value added. This factor is arrived at by looking at sales in the year reflected by your MVA. However, if you look at the factors used in this area, you will see that they bear more relation to age and location than they do to value. The regional assessors provide the following information regarding this value added factor: 1970 to present, factor 1.10; 1920 to 1969, factor 1.40; prior to 1920, factor 1.50; Bristol Ponds, factor 1.25.

You see that although your house may be the same as your neighbours', they might have a lower or higher tax bill than you. So much for our fair and equitable market value assessments.

By the way, just prior to this appeal in 1989, a further portion of the basement was finished, adding two more rooms, and the interior of the house refurbished in house A. In actual fact, it was duplexed, legally. Both of these homes sold shortly after, with house A selling first and at a slightly higher sale price than house B. Both homes sold for slightly more than $250,000.

Although this next example looks at Oshawa and Durham region, I am sure you will find a similar situation in Metro Toronto. You will find that the manuals used are the same. The only variance would be the factors and the base years.

Manuals and factors used to arrive at assessed values: In Oshawa, wards 1 to 6, they use a city manual based on 1950 values. It's factored back to 1950 values. They factor a 1969 replacement cost new by factors varying from 0.33 to 0.39, depending on the vicinity. Then they came out with a new manual, the Ontario valuation manual, factored back to 1950 values; factor 1980 replacement cost new by factors varying from 0.194 to 0.20, depending on vicinity.

In ward 7 they use a county assessors manual based on 1940 values and the assessment valuation manual, again factored back to 1940 values; they factor the 1969 replacement cost new by 0.21. Then they came out with the Ontario valuation manual, factored back to 1940 values; they factor 1980 RCN by 0.113. All six of these methods are currently in use in the city of Oshawa. I believe you'll find that the same situation exists in Metropolitan Toronto. The 1940 and 1950 values residential and farm assessments are then totalled, weighted and added to the commercial and industrial assessment. The total is then equalized to arrive at the per cent of liability for each area.

One or more of the above is used on all municipalities within the region. Durham region has two municipalities not on market value, one on 1982 values, one on 1984 values, three on 1985 values and one on 1988 values.

After a convoluted process of applying grants in lieu etc, equalization factors determined by the province are then applied to each municipality's total assessment to determine the share each municipality will pay for regional purposes.

If any area municipality is not satisfied with the assessment as revised, equalized and weighted by the Ministry of Revenue, the area municipality may appeal from the decision of the ministry etc, etc etc. This is what the local municipality should be doing instead of asking for MVA.

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The following illustration shows how a property assessed using the 1980 valuation manual would be taxed in the two areas of Oshawa and the difference in taxes on the two completely identical homes. The figures and factors are taken from the appraisal card prepared by the assessment department on the home from the information supplied by the assessment department in regard to the factors for wards 1 to 6.

I won't go through it all, but as you can see, the home owner in ward 7 will pay between $119.48 and $254.02 more in taxes than the identical home in wards 1 to 6, and that's not even taking into account the value of the land; this in spite of the equalization factors used to equalize the assessment in the two areas. As time progresses, this dollar spread between wards only increases.

Honourable members, MVA, as calculated by a provincial assessor, is a sham.

The Acting Chair: Thank you for your presentation. Questions? Ms Poole first, Mr Owens next.

Ms Dianne Poole (Eglinton): Thank you very much for appearing before us today. I think your brief is particularly important because you are not a player within the Metro scheme. You have no vested interest as such.

Mr Clulow: I have no vested interest in Metro. I have a vested interest in this province.

Ms Poole: That's right, so I think your viewpoint is particularly important, that we've had it represented.

Your point 1 on page 1 was that assessment is a provincial responsibility. That point is well taken. Unfortunately, the government appears to be taking the stand that it is not a provincial responsibility. This is Metro's plan and they're giving Metro the same rights as the rest of the province.

I would dispute the government's analysis on two bases: One is that of the 735 reassessments throughout the province, the majority have been by local councils. It's only been in the most recent years that they've gone to regional councils having this responsibility, and certainly they've never gone to a reassessment with a major player such as the very large local municipality being totally opposed to it. The second reason is that there's never been anything like Metro's plan that has been approved by a provincial government.

I submit to you, and I think you would agree, that this is indeed a provincial responsibility and that the province does have a responsibility to look at this plan.

You're from outside Metro. I think there's one way in which the government cannot duck its responsibility for the people outside Metro. We have heard reliable information and reliable presentations that Ontario Hydro ratepayers throughout the province will be paying for Metro's plan, because under Metro's plan it is not capped. It is one of these players that are not capped for whatever reasons—mainly political—so they'll be paying $60 million more in taxes this year.

Mr Clulow: I've watched much of the debate on television. I agree with you.

Ms Poole: The second thing is that the railways' rights of way again have not been capped and the railways are saying they will be cutting lines and services across the province, and across the province there will be job losses due to this plan. Do you think, even if the government ignores all the other reasons why it's a provincial responsibility, that it has a right and a duty to protect people outside Metro from the impacts of Metro's plan?

Mr Clulow: The only problem I have with that is I believe in the user-pay system, but essentially, yes, I agree with you and assessment is definitely, by legislation, a provincial responsibility.

Mr Owens: In terms of the five points you've made, point 3 is that you're indicating the current legislation is not consistent—

Mr Clulow: I'm sorry; I can't hear you.

Mr Owens: Could we have the microphone turned up here? It's been a problem all week. Is that better?

Mr Clulow: Yes.

Mr Owens: A bit too much reverb on this thing. Anyway, in terms of your point 3, you indicate that this legislation is not consistent. My understanding is that in fact it is consistent with past practice and that our friends across the way in the former government also had some experience with this type of legislation.

In point 5 you suggest that municipalities currently do have a means of addressing assessment inequities between municipalities. Can you tell me what those are?

Mr Clulow: I have a copy of an equalized assessment report for the region of Durham and it's stated right on there, "From the assessment department." I'll read it to you. This is from assessment region 13:

"If any area municipality is not satisfied with the assessment as revised, equalized and weighted by the Ministry of Revenue, the area municipality may appeal from the decision of the Ministry of Revenue by notice in writing to the Ontario Municipal Board at any time within 30 days after notice of the revised, equalized and weighted assessment was sent to the area municipality by the Ministry of Revenue."

This is covered under sections 97 and 98 of the Regional Municipality of Durham Act. It is also covered under the Assessment Act. I'm sorry; I can't quote you the section it's covered in.

Mr Owens: I'm just going to ask the ministry person to respond to that. I'm not quite comfortable that you've been given the correct information.

Mr Clulow: The information comes from a letter written by the Ministry of Revenue and from the Assessment Act, sir.

Mr Owens: That doesn't mean it's always the correct information.

Mr Clulow: Then they're sending false information to every municipality across Durham region.

The Acting Chair: We'll have a comment by the ministry representative.

Mr Tassonyi: Again, I'm Almos Tassonyi. I'm a senior economist with the municipal finance branch. I would suggest to you, sir, that while I agree that's what that statement says, it is the discounted, equalized assessment and every municipality agrees with it in total. However, if your underlying argument is that there are inconsistencies within the assessments themselves as well as in the underlying factors, then I would find it hard to agree that the total averaging of all those assessments is absolutely fair and equitable.

That formula is in place in order to determine regional apportionments. It is fair up to a point in that everybody is treated the same way in all municipalities using the existing assessments. But by no means and by any stretch of the imagination would I care to suggest that in the region of Durham, which has not had a region-wide reassessment, it is as fair a system as exists, for example, in the region of Sudbury or in Waterloo or Haldimand-Norfolk or in any of the other reassessed counties where at least a single mill rate is applied to raise the moneys for regional purposes and for county purposes, as well as for coterminous school board purposes.

The Acting Chair: Speaking to the point of appeal, though, if a municipality does appeal the equalization, who hears the appeal and makes the determination? I think we need to know that.

Mr Tassonyi: The Ontario Municipal Board does, Mr Chairman.

Mr Clulow: They can get that factor changed and that will reduce the taxes on every property within that region or municipality.

The Acting Chair: I believe that has happened in the province of Ontario on some occasions.

Mr Clulow: Yes.

Mr Owens: If I have one more kick at the can here, you mentioned that in the region of Durham there are approximately six different methodologies, I guess.

Mr Clulow: Those six methods are within the municipality of Oshawa, and you will find that under market value assessment, one of the second two is used in all the other regions. For instance, in Uxbridge our assessment is based on the 1969 valuation manual, as the example you saw there of the appeal. They are factored back to a value which represents somewhere in the 1940s or 1950s; I'm not sure where it is.

Mr Owens: What's Oshawa done in terms of trying to correct this?

Mr Clulow: Oshawa is sitting on its hands. I currently have over 100 homes in a subdivision that have appealed successfully. The ministry has granted that reduction to the entire subdivision, which I believe is approximately 500 homes. There are other people within that same ward who are upset about these equalization factors that are used, and these are just the equalization factors between wards; they're not going into the equalization factors between municipalities, which are even worse.

The Acting Chair: Next question, Mr Turnbull.

1050

Mr Turnbull: First of all, could you tell me a little bit about the taxpayers' coalition? Who is it made up of?

Mr Clulow: The coalition is made up of taxpayers across the province of Ontario. There are a variety of members in a variety of areas. Durham region has a Durham regional chapter which is a member of the Taxpayers Coalition Ontario, and then we divide into subchapters. We have a chapter in just about every municipality in Durham region. We affect municipal taxes, we affect school taxes, and we are now coming after provincial government legislation as well.

Mr Turnbull: You very well indicated the problems that exist with market value. You went through all these complicated formulas that are used. Indeed, if you've been watching the testimony, you will have noticed that on several occasions people have alluded to the fact that there were college students who were on summer jobs who actually did this assessment. Can you conceive of college students being able to adequately understand the application of these manuals? Even if the manuals were sensible and measured it adequately, do you think they would be capable of being able to make the right judgements?

Mr Clulow: The person coming out and assessing the house is just doing a mechanical calculation. The problem is that there are too many places where a subjective opinion is put in, and that affects the end result. You could take six different people and you're going to get six different subjective opinions. In fact, I have an example here, if you'd like to see it.

Mr Turnbull: Yes.

Mr Clulow: It shows where an assessor, after an OMB hearing, decided that the depreciation on a property was too low, changed it, and effectively altered the assessed value of the house. That was after an OMB decision.

Mr Turnbull: After the fact?

Mr Clulow: Yes.

Mr Turnbull: Effectively punishing the person for—

Mr Clulow: It was during the next market value assessment. We were evaluated in 1975, and then re-evaluated in 1980.

Mr Turnbull: So effectively we punished the person for having appealed?

Mr Clulow: Oh, yes, very definitely. I am that person.

Mr Turnbull: Okay. Well, we've heard more than one set of testimony over the fact that people are effectively punished by the Revenue department for having appealed their assessment.

Mr Owens: Give me a break. Where have you heard that?

Mr Clulow: It has been stated to me that the Ministry of Revenue circulates articles that I write and letters to the editor that I write through the Ministry of Revenue. I've heard that from three separate sources—three separate, unrelated sources. So I would agree.

Interjection.

Mr Turnbull: Apart from the heckling from Mr Owens, who has a great vested interest in this, we heard from a gentleman from Mississauga who made testimony to this committee which very clearly showed that there had been a lot of offers to him that if he would back off from his appeal, they would reduce the assessment, and his assessment was changed more than once during the course of the appeals and counterappeals.

Mr Clulow: The assessment department, on every occasion that I have attempted to go the OMB in the past, has come and made a settlement with me which was close enough to what I wanted to prevent me from going to the OMB.

Mr Turnbull: Precisely. That's precisely the point I want to bring out. Is it your contention, notwithstanding the fact that many of the municipalities of Ontario are on market value, that this is the responsibility of the province and not just the responsibility of Metro?

Mr Clulow: Under current legislation, it is the responsibility of the province.

Mr Turnbull: The government would have you believe otherwise.

The Acting Chair: We've run out of time. Thank you for your presentation.

RAYMOND CHO

The Acting Chair: We're running considerably behind. I would ask Raymond Cho, councillor, to make a presentation at this time. I believe if the questions were somewhat shorter, we might be able to get them all in.

Welcome. Would you state your name, please, and proceed with your presentation.

Mr Raymond Cho: My name is Raymond Cho. I am a Metro councillor representing Scarborough-Malvern. I'm sorry that I am losing my voice; I have a bit of a cold.

Thank you very much, Mr Chairman and honourable members of the committee. I'm here to request that this committee and also the provincial Legislature approve the MVA, market value reassessment adopted by Metro council last October 29.

I'd like just to describe briefly about my riding, which I'm representing: 96.5% of the residential units in our riding have been paying overtax during so many years, I guess since 1953. In some situations they pay $2,000 more taxes according to the present market value assessment, and it's totally unfair. Each time I have some issues or problems at Metro council, I actually go out and I meet many residents, because I'm representing them, and I will give you some contents of my interviews with the people in our riding.

I met a black gentleman. He appears to be between 50 and 60. He said he got laid off. He worked the last 30 years. He doesn't have any income now, but he's paying over $5,000 property tax, which means he's paying $100 each week to live in that house, and still on top of that he has to pay a lot of mortgage. He wants to sell the house, but because his property tax is too high, he cannot sell it.

I met another gentleman. He was saying: "Look, Councillor Cho, I'm paying $2,000 more for my house, and I have a business in East York. It's a furniture store." His property tax is roughly $3,000. He knows a friend who runs a similar furniture store near Yonge Street. His property tax is $1,000. So in fact he's paying $4,000 more, $2,000 for his house and $2,000 for the business, and: "How the heck can I compete with my friend who runs the similar furniture store? What kind of tax system do you have? You are my representative. You have to correct this." I can only answer, "I'll try my best."

It's not just the $2,000 they pay more. If we don't correct this totally unfair tax system, next year he'll pay maybe $2,200, the year after $2,300. The gap will become even wider all the time.

I'm sure not just the Metro councillors but all the honourable members here are here to make a good law and you are here to practise a good system so that overall, not just the people living in downtown Toronto, all the people in Ontario should have fair treatment. This is long overdue, to correct this totally unfair tax system.

I urge you, the honourable members, I hope that you bring this message to the Legislature, not just from downtown Toronto but from all Metro Toronto, and then I hope that the provincial Legislature will adopt the recommendation passed by the Metro council.

I've heard, not just here but through the newspaper and through the Metro council, there are several arguments why it has not been fair for a long time. I will go into just a few points here.

This is the wrong time to pass MVA, but there's no right time to raise tax. Nobody likes to pay more taxes. If you listen to people, this is the wrong time; that's so true. But if you listen to a group of people from the other side, there's no better time than this time, because so many people are laid off and they couldn't pay the mortgage. Why would we urge them to pay $2,000 more tax, for years and years and years, and then the gap is getting wider all the time? To me, especially representing Scarborough Malvern, there's no better time than this time.

I heard the gentleman before me say there hasn't been no in-depth study. If we try to do an in-depth study, it takes two years, three years, four years. By the time you get the result, you write the report, you evaluate whether it's correct or incorrect, then it's already an obsolete report. So then we request another in-depth, and it goes another four or five years. It will never happen. We have 1988 market value assessment. We have the assessment done.

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Another argument is that in 1988 the market value assessment, say it was a $500,000 house, today it's $300,000. It's true, but it should not just apply to the city of Toronto. It applies to Scarborough, it applies to North York, it applies to all over Ontario. If you try to use that argument again, we have to persist, this is a totally unfair tax system. So that argument doesn't buy as far as I'm concerned.

Another argument is: "In Toronto, we live in a congested area. You guys in Scarborough have all the space. Look at the ratio per square kilometre." Again that's a very poor argument, honourable members. When you go to Scarborough, especially the Malvern area, we have a huge

Rouge Valley, we have Metro Zoo. There are even radioactive contaminated areas and then when you actually visit, we have so many congested social housing, we have high-rise apartments and then the crime rate is higher.

In terms of police services per capita, we have the least police services in Scarborough. When it comes to services, we don't have a subway, we don't have trolley buses, we don't have streetcars. We have the so-called supermailbox, which means sometimes seniors in their wheelchairs have to go five, 10 minutes in this cold weather and they don't have cars. They don't have door-to-door mail service in many areas.

I met one resident who said: "You know, Councillor Cho, I have to change three buses to make one registration mail and send the mail by registration. It takes 45 minutes." It's so easy to say, "You guys have all the space. We're living in congestion. It's fair that we pay less tax," but when you look at it, it's totally unfair.

I think I could say that the city of Toronto council spread all kind of misinformation. You know, "Your taxes go up 300%, 500%." They're really scared. The tactic was very successful in terms of immobilizing manpower, but it is totally unfair. It's not true. The tax increase for the business sector, as you know, is 25% over three years. It's not 200%, 300%.

They say businesses all over Metro will hurt if we adopt this market value. This again is totally untrue because in my riding approximately 60%, or 57%, of the businesses have a tax deduction and only a few businesses go up, but when it comes to the rest, as I mentioned earlier, it's almost 100%. They've been overtaxed and this injustice has to be corrected.

Another argument is, if you adopt this market value assessment, it's going to hurt the senior citizens. I'd like to mention to the committee here, we have seniors in Scarborough and we have senior citizens who are retired. We have unemployed people and we have a lot of single parents. All these people have been paying too much tax. Why do we have to urge them to pay more taxes when they have only limited income? We are forcing them to get out of the house and we just say it is unfair to keep postponing.

What we are actually saying is, "If we don't correct this unfair tax system, then you guys could go on tax revolt." A lot of people in Scarborough, they're not just saying it, some of them have already started, "I'm not going to pay the tax. I can only pay so much for the board of education but definitely not for Metro Toronto," and I don't know how to urge them to pay taxes. I mean, government has implemented totally unfair taxes for such a long time and that's the end result. I could go on and on, but I know you have heard so many arguments and points and theses from both sides, so what I'm saying is nothing new.

In conclusion, I know it hurts some people but we are not asking 100% increase, we are asking 10%, 10%, 5% for the business community, and especially the residential, it's 5%, 5% for two years, 10%. I think that's really good tax reform, and I'm making a very strong appeal to you that this committee should approve the recommendation, the motion passed by Metro council.

The Acting Chair: Thank you. A very short time for questions. Dr Frankford.

Mr Frankford: Thank you, and welcome. It's good to have some more Scarborough presentations here as there has been rather an impression from the number of delegations that this is dealing with the problems of people who all seem to be living around the Yonge Street corridor.

We've heard a number of points about urban planning, urban form, the urban economy, again very much from a downtown perspective. I certainly agree with much of what is said about the importance of city economies as the centre of economies. I wonder if you'd like to say something about the impact that you see this having on economic life in our end of the city, or rather our end of Metro.

Mr Cho: Especially downtown Toronto? Urban centres?

Mr Frankford: Around Scarborough.

Mr Cho: In terms of a tax deduction for the downtown Scarborough commercial sectors, it's a very minimum. Number-wise it's a majority, but it's a minimum, so I don't think they will get great benefit. but in terms of a tax increase it's not just Scarborough or even downtown.

We received letters from the Toronto economic advisory committee and the board of trade. The present recommendation, a motion passed by Metro council, is quite acceptable to these advisory committees, you know. I don't think it's going to create a real ghetto, and that is why we made that kind of suggestion. In terms of a negative impact, I'm not too concerned. I don't think it will create an economic ghetto. That's my view.

Mr Grandmaître: Being a councillor, let's talk politics. This MVA problem has been around for more than 40 years and I'd like you to tell me how come local politicians, Metro politicians, resolved this old problem or came up with a new scheme in a couple of hours? Can you recall this incident, if I can call it an incident?

Mr Cho: Well—

Mr Grandmaître: You know, they had legislation before them, they turned it down, they came back, they had a football huddle and they came back with a new scheme. Can you tell us, are you aware of this little complot?

Mr Cho: Well, first of all, we didn't pass this new MVA in a couple of hours. We had—

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Mr Grandmaître: No, I'm not saying you passed it. I'm talking about the scheme that's before us being planned two hours or three hours before it was voted on.

Mr Cho: No, it's not true.

Mr Grandmaître: It's not true?

Mr Cho: It was debated for hours and hours and hours. We have MVA deputation by management committee. We tried to accommodate everybody as much as possible.

Mr Grandmaître: I'm sorry. You're not answering my question. I know it was debated. It has been debated for the last 40 years. I'm talking about the plan that's before us being arrived at by Metro at the very last minute.

Mr Cho: I'm a new councillor, Mr Grand—I'm sorry—

Mr Grandmaître: Oh, it's Grandmaître. I've been called worse.

Mr Cho: Actually, the MVA was introduced to Metro council in 1989, I understand, and then it was—

Mr Grandmaître: But not the scheme that's before us.

Mr Cho: What I'm trying to say, it's not the first time, not decided in a couple of hours. As far as I'm concerned, I think it's kind of an incorrect question.

Mr Grandmaître: Well, I know that the scheme that's presently before us was dreamed up a few hours before the vote.

Mr Chris Stockwell (Etobicoke West): Just quickly, councillor. How are you? Maybe the answer he's looking for is the fact that this scheme is a modification of the 1989 plan that was put in place in 1989 and worked on probably for the entire year of 1989, but not accepted by the present Liberal government of the time and it died. So the plan has been around since 1989, and it has been modified sometimes, but the actual plan itself was basically in place in 1989, negotiated over that few months when you were having public hearings and meetings, and finally came into place at the last council meeting with some modifications to the caps for businesses and so on.

So to suggest the question you're suggesting, that this is a last-minute scheme—there are a couple of minor changes that seem to buy in some of the members from East York and so on that allowed this thing to pass at council. Maybe that was the kind of response you were trying to put forward, was it not?

Mr Cho: Mr Stockwell, I understand you mentioned there was some modification and I wasn't around in 1989, so I couldn't really compare the two pictures, you know, but as far as I understand it, the modification we put forward and adopted is a great modification.

Mr Stockwell: Oh, I think it is too.

Mr Cho: This 10% increase over two years, I think we tried to do the best we could. Also, I fought against the increase, especially for the business sector, because business is the area where they create jobs and jobs are the best economic engine. I personally fought for 10%, 10%, 5% increase over three years.

Because of that, I've been in very hot water in my riding. Being of Korean background they say, "You have a Korean business, you try to satisfy them, neglecting all your riding." I'm trying to be as fair as possible, really struggle—

Mr Stockwell: No, but all I'm trying to point out is that really to categorize this as a last-minute deal is to a degree unfair.

Mr Cho: Whatever we do, I'm sure that it's the same thing with the Legislature. When you go through a certain process, you have to go through at the last minute kind of thing. Then there's a beginning and there's the end. I'm not sure whether I could answer your question to your satisfaction.

Mr Stockwell: Good answer.

The Acting Chair: A final question, Mr Rizzo.

Mr Rizzo: Sir, would you think that it would be fair if the provincial government before it passed this proposal could make further changes to it, tried to respond to the concerns of the people appearing in front of this committee for the last week and a half at least?

Mr Cho: That's a very difficult question for me to respond to, but as far as I could say as a Metro councillor under the present economic situation, the motion that we passed at Metro is most fair. I wish personally that there shouldn't be any correction, but it's up to the honourable members.

The Acting Chair: Thank you for your presentation, Councillor Cho.

LYNDEN PARK MALL ASSOCIATION
FIRST EFFORT INVESTMENTS LTD

The Acting Chair: The next presenter is the Lynden Park Mall Association. Please take your seats and introduce yourselves. I believe you're located in Brantford, Ontario, as I would recall. We allot approximately 20 minutes, hoping that there will be time for some questions by committee members within that time. Proceed, please.

Mr Rick Rizzo: My name is Rick Rizzo. My brother and I are independent retailers in the city of Brantford. I'm actually just here as support for Jim.

Mr Jim Turnbull: My name is Jim Turnbull. It's kind of ironic. I see a Rizzo and a Turnbull.

The Acting Chair: Yes, we noted that and we noted you're together.

Mr Jim Turnbull: We've never heard of these guys before.

Ms Poole: That's not only ironic; that's bizarre.

Mr Jim Turnbull: That's right. We actually work together. I just hope we work a lot better than these two guys.

As I said, my name is Jim Turnbull. I'm here representing two parties, first the company I work with, which is an independent retail chain of 70 stores operating in shopping centres in Ontario, including three in the Metro Toronto area. The other party is a tax committee from Lynden Park Mall in Brantford, with some 20 members who operate small retail stores in this mall. This committee has been lobbying tax increases with various government and business groups and has been given this opportunity to voice its concerns regarding market value assessment.

Being that Brantford and the majority of other municipalities in Ontario have already adopted MVA, we have been conditioned in accepting this concept. However, I do wish to speak about a very specific inequity in this system for businesses operating in shopping centres, to show the consequences being experienced at first hand and to insist that this legislation be changed. The inequity is in the apportionment of market value assessment between major or so-called anchor tenants, ie, department stores, grocery stores and ancillary tenants, which are all the remaining tenants in malls.

The problems stem from subsection 13(3) of the Ontario Assessment Act, which I've shown as exhibit A, which

deals with apportionment of value of multiple occupancy properties. This section states that any assessment for multiple occupancy properties be based on a rental income approach.

Shopping centres are assessed using this income method, under which the rental income on each individual property for the base year is obtained, smoothed to account for unusual highs and lows and capitalized to determine the market value for each property.

This inequity occurs due to the fact that the major tenants pay significantly less in rents on a per-square-foot basis than do the ancillary tenants. Being that the majors have significantly reduced rents, the corresponding market value assessments, and hence taxes, are disproportionate to the ancillary tenants. While it could be accepted that the majors should pay something less in taxes on a per-square-foot basis, they are actually paying a great deal less than the ancillary tenants.

Major tenants typically sign long-term leases with combined terms and options ranging from 25 to 100 years at very low rents. These deals are given to the majors for various reasons, and in my view it's because the landlords feel the majors give the malls stability. Without the majors, landlords feel they would not attract the other tenants required to fully develop shopping centres.

Ancillary tenants, on the other hand, do not have the luxury afforded the majors and typically sign shorter-term deals, up to 10 years, with much higher rents: $10 to $100 per square foot, from our research, depending on various factors. These leases also normally have escalation clauses which kick in over the course of the term.

Given the factors I've mentioned, it can be seen that the disparity in rents causes inequity in the apportionment of value and hence taxes becomes greater as time goes on, because majors experience no real increases in rents, whereas the ancillary tenants experience both escalation increases and are subject to the market forces when renewing or originally signing leases. This market factor alone has dictated very large increases in rents over the 1980s.

As municipalities update to more recent base years for MVA, the discrepancy I've been mentioning becomes greater. I've enclosed an analysis, which is shown in exhibit B, showing the actual impact on Lynden Park Mall in Brantford, where the city in 1991 changed to 1988 as the base year for MVA. In 1982, the ratio of taxes in dollars per square foot was just under two to one, ancillary tenants to the majors, while in 1992 this jumped to just over three to one. The majors occupy 60% of the mall space, yet contribute one third of the tax dollars. To appreciate the financial impact of this, the increases in taxes for the ancillary tenants range from 35% to 135%, while the majors enjoyed a 26% decrease, bearing in mind that the municipal mill rate increased by 5.5% over this period.

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Exhibit C, which is also attached, shows some of the actual figures relating to what I'm speaking about. In the case of our company, which has three stores occupying a total of 2,940 square feet, we went from paying $22,000 in combined property and business taxes in 1990 to $34,000 in 1991, a staggering $12,000 or 55% increase in one year. Another company suffered a 114% increase, from the ones that are on the table there. As I mentioned, the majors experienced decreases.

I've also shown examples of the impact on some retail stores for Bayshore Shopping Centre in Nepean, which in 1993, along with the entire Ottawa region, is moving to 1988 as the base year for MVA. Our particular store, occupying 1,415 square feet here, will incur a $7,200 increase in taxes in one year. Independent businesses simply cannot survive under this hardship.

In a letter to a tenant of Lynden Park Mall in 1976 from the then Minister of Revenue, Arthur Meen—shown as exhibit D—which deals with section 13(3), formerly 17(3), of the Ontario Assessment Act, I'd refer you to the last paragraph of his letter. It includes the statement, "The early indications are that the business community will benefit by way of stabilized or reduced taxes when the [new] systems," which refers to the apportionment of values, "are fully implemented."

This in fact may have been the case in 1976 when the shopping centre industry was in its growing stages and the discrepancies in rents between majors and ancillary tenants were not as great as they have become. The study done by the ministry likely concluded correctly in making the above statement under 1976 conditions. However, if officials from the ministry were to conduct a similar study today, the conclusions would be far different.

I trust I've illustrated the impacts of the current inequities in the apportionment of market value assessment specifically as it relates to the shopping centre industry. You may wonder why this problem has only come into the forefront now when the same legislation has been in effect for several years and most municipalities in the province are already on MVA. The reason for this is because most municipalities have been using older market value base years—1984 and prior, and most, 1980 and prior—where the rent discrepancies were much less. For the few municipalities that moved to 1988 market values, one city council in particular had no idea the impacts this would bring on shopping centres, let alone could individual retailers be expected to assess this in advance.

As municipalities update to more current values, as they are now doing in moving to these 1988 values, the problem I've brought up will accentuate and the government will be faced with yet another crisis, not just for Metro Toronto—in fact Metro Toronto is not really bearing the brunt of this thing—but for every municipality in Ontario.

In my closing remarks, I refer you to the attached newspaper article from the Globe and Mail of October 29, 1992—exhibit E in your notes—which addresses this very problem I've been speaking about. At Scarborough Town Centre, for example, the ancillary tenants will see tax increases of more than $2.1 million, whereas the majors will be in line for reductions totalling just under $2.4 million. This gets us back to the Toronto situation which your committee was formed to hear, and I bring this up since we have experienced at first hand the severe financial impact this article clearly points out. Also, a Toronto Star editorial on October 31, 1992, which again makes reference to this

specific problem, states: "Metro can't ignore such anomalies. Nor can Queen's Park and its Fair Tax Commission."

As I stated at the outset, we are not necessarily against the concept of market value assessment. However, the legislation, ie, the Assessment Act, must be changed to encourage a fair method of apportioning market value assessments in shopping centres. It is clearly obvious the current legislation is not achieving fairness, an obvious requisite of any taxation system. If this is not done, the results will be devastating on Ontario's retail business, apart from the majors.

We're the living example of the results of this, and I will state that this committee has already lost two members in the last six months whose businesses have succumbed. We're looking for you people as legislators to make the changes necessary to prevent this from happening in the future.

The Acting Chair: Thank you for your presentation. Mr Mills wishes to speak at this time.

Mr Mills: Thank you very much, gentlemen. I've listened intently to what you've had to say this morning and I tend to agree that the Ministry of Revenue should revisit this whole apportioning of the taxes among tenants in shopping malls, and I hope it does.

Mr Stockwell: If we don't base it on your dollar value that you're paying, the only other way I can imagine you'd base it on is square footage.

Mr Jim Turnbull: Yes, exactly.

Mr Stockwell: And that's what you're supporting?

Mr Jim Turnbull: I would go somewhere in between. Square footage the majors probably would never accept, but there's got to be something somewhere in between. You can appreciate this situation is going to be the same. We're just starting to see the original impacts of this. For a big guy who's got a rent of $3 a square foot right now and a small tenant who's got a rent of $40 a foot, 20 years from now that big guy's still going to have rent of $3 a square foot and the other guy could be $100 a square foot. Somewhere along the line, the majors' tax is going to go down and down and down as a total.

Mr Stockwell: I don't understand that, frankly. I appreciate what you're saying. I don't understand why the discrepancies would be greater on a percentage basis.

Mr Jim Turnbull: On a percentage basis they wouldn't, but under the current legislation, the way the assessments are done, it's on an individual property basis.

Mr Stockwell: But then it's taken in mass, applied to the mall and then split out according to the dollars valued at.

Mr Jim Turnbull: Of each individual property.

Mr Stockwell: Store.

Mr Jim Turnbull: Of each individual store. That dollar, that split-up, is done based on assessment which is done totally on a rental income approach.

Mr Stockwell: What about common areas?

Mr Jim Turnbull: Common areas are included in with the assessments for each individual property.

Mr Stockwell: And you appropriate so much common area per size of your store?

Mr Jim Turnbull: Yes. The way I understand it, it's included actually in each individual assessment. We don't have a problem either with—well, we do have a problem, but we will accept the fact that shopping malls may go up in value and the market value of the—

Mr Stockwell: No, I think you have a very salient point here. The last question I have is, what's the split you're looking at, 50-50, as opposed to dollar and square footage, or have you given that any thought?

Mr Jim Turnbull: As I mentioned, in terms of the ratio of the ancillary tenants?

Mr Stockwell: Yes.

Mr Jim Turnbull: Back in 1982 it was 2 to 1 and now it's jumped to 3 to 1.

Mr Stockwell: No. What's the split you would make up your tax dollar with? I'm saying, "Okay, how are you going to do it, purely on a square-foot basis?" and you say, "No, the majors wouldn't agree to that." So what is the split, 50% based on square footage, 50% based on rental?

Mr Jim Turnbull: Somewhere. I haven't done the detailed studies or analysis of that.

Mr Stockwell: If your group gets together and decides what it is, let me know. I don't disagree with you. I think there's some fundamentally flawed process here, because I myself am in a mall of that size, and I would be not the biggest store, not one of the smallest either, but it seems to me disproportionately I'm paying significantly more in tax than some of the big boys and I'm not really sure why.

Mr Jim Turnbull: That's the reason for it, the individual—

Mr Stockwell: Yes.

The Acting Chair: Thank you for your presentation.

SLEUTH OF BAKER STREET

The Acting Chair: The next presenter is Ms Misters. Would you please come forward and have a seat and make your presentation. Please give your name.

Ms Marion Misters: My name is Marion Misters. I live in the city of Toronto and I have a business co-owned with my husband on Bayview Avenue on the East York side of the street. Thank you very much, Mr Chairman and committee members, for letting me talk this morning. I felt I had to be a part of this process, even though I'm a very minor player, but I felt I had to say my piece, and I know you've heard it all before.

What I'd like to do is to present to you a scenario my husband and I are aware of which we don't think the proposed system of MVA is going to help alleviate.

We own a bookstore. One of our colleagues who owns a bookstore in the city of Toronto is presently paying $700 a year in property taxes. His store's virtually the same square footage and the same frontage as our store. We pay approximately $6,000 a year. That's a difference of $5,300 a year.

I'm not sure if I've done this correctly, but if the proposed legislation goes through with the caps of 25%, in three years he will be paying $875 a year and we will be paying $7,500 a year. That's a difference of $6,625 per year. This of course doesn't count any business tax that is calculated, based on our property tax.

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The proposed system will exacerbate the problem and it does nothing to create a fairer system. We're not against paying taxes. We just think the tax system should be fair to everybody. In three years, all you will have done, or all that you will achieve, is to start this debate all over again. What are we going to do in three years time? Do we go up another 25%? His taxes won't go up very much, ours will. Isn't there a system somewhere in North America we could use that is successful, that is fair to everybody?

If MVA is allowed to go in full force, obviously that's going to cause a lot of problems. Our property taxes alone will increase by about $4,000 per year. I would then need to sell about $10,000 worth of books to cover that extra cost. That's about 1,600, 1,700 paperbacks. I'm already open seven days a week. I only close three days a year: Christmas Day, Boxing Day and New Year's Day. How am I going to sell 1,700 more books to try and cover the cost of the increase in tax? Bookstores, as you know, have been hit with GST in the last few years and that has reduced our sales.

I know there's no easy answer, but the proposed system seems to make the inequities a little more unfair. Have you considered, or would you consider basing property tax on square footage, the frontage of the building? How about basing the property taxes on the services we use? All I would like to say is, please reconsider before you pass this. Thank you.

The Acting Chair: Thank you for your presentation. Mr Stockwell, please.

Mr Stockwell: What are your taxes going up under market value assessment, if it were implemented full blown, to $10,000, did you say?

Ms Misters: Approximately, yes.

Mr Stockwell: What would the taxes of this friend of yours go up to under full MVA?

Ms Misters: To $7,000.

Mr Stockwell: So you'd still be paying $3,000 more.

Ms Misters: That's correct.

Mr Stockwell: Where's your store?

Ms Misters: Bayview Avenue.

Mr Stockwell: Bayview and what?

Ms Misters: South of Eglinton.

Mr Stockwell: It just seems to me that your—I'll make it a comment and you can comment on it. Under any system, they still have to generate the same amount of money. You understand that under the system we're implementing today, there are no new dollars assessed; it's just different proportions of that amount of dollar value. I know what you're going to say, too, with respect to basing it on services, because again I have a business and frankly I don't use any of the services. I have to have my own garbage picked up. I have to pay for my water and hydro. What they do every so often is, in the snowfall, come around maybe and clear the snow off the road. Everything I have to pay for myself. I don't use the library, send kids to school etc, so I'd almost be getting a rebate if it were for services and I don't think that would work.

It seems to me that your argument that is maybe there's just too much tax, period, because under any system your taxes are going to be pretty high—$7,000, $10,000—whether it's unit assessment or market value assessment. If you base it on services, no, they'd be very low, but then that would be transferred to the residences, so you can forget that one. No politician will vote for that in a million years.

Really, my comment is that I don't really think any system's going to make a big difference to you. I think your fight is with local government because they're simply spending way too much money. That's the only way I can see you getting out of this predicament.

Ms Misters: I agree with what you're saying. Under any tax system, if it's perceived to be unfair, then you have a problem. I think if people perceive it to be fair, then there's—

Mr Stockwell: But perceived to be fair or not, you're still going to pay $7,000 to $10,000 a year.

Ms Misters: That's true, and my house is going up by 42% in the city of Toronto and yet I have a 30-footed frontage. I didn't bring those into my figures. I have to sell, I think, another $4,000 a year just to cover the extra cost of the house property taxes going up.

There is no easy answer. I certainly don't have the answer and I don't know what to suggest. I agree with you; I don't have kids, I don't send anybody to the education system, but I must pay those taxes. I agree with that. I pay the taxes. I live in Canada. I choose to live in Canada. I could very easily live in the United States. I choose to live in Canada because of the social services. I don't mind paying tax as long as it's a fair system.

Ms Anne Swarbrick (Scarborough West): I appreciate very much your point about not minding paying tax when you feel you are getting the services for that. I certainly agree. I prefer the kind of Canadian system we've got too, as long as it can be seen to be fair.

I just want to ask if you're aware of the kinds of things that our government has initiated to try, if not in this round of assessment because it may be too soon—it is too soon for everything to come together—to work towards a fairer system for the next round of assessment.

We have now committed, because of the controversy around here, to work with Metro on a full economic and social impact of the system to look at what improvements can be made. We have been looking for some time now at the issue of whether education could be refinanced, to be paid for in a different way instead, such as through the income tax system based on ability to pay, and that'll be coming up in 1993 in a report through Tony Silipo for cabinet to deal with.

We also, of course, have the report of the property tax working group of the Fair Tax Commission coming out

and the whole issue of the negotiations with the municipalities around disentangling who pays for what services between the municipalities and the province.

I didn't quite hear one of the things you were saying. Did you say that you feel support for the idea of financing education through an income tax system? Is that part of your position?

Ms Misters: No, I didn't say that. I haven't thought of that.

Ms Swarbrick: How would you feel about it?

Ms Misters: Without having kids, my feeling is that if you have kids, you pay for it, but obviously that is really not the right way of doing things. Our future depends on the kids' futures. The country depends on the young people and all of us have to support that.

Ms Swarbrick: I'm glad you feel that way. I don't have kids either, but I've never had a problem with the idea of contributing to the next generation of working people and taxpayers.

Ms Misters: I don't have a problem with that either as long as it's all done on a fair system. If it is an ability-to-pay system, I think that's fine too.

Ms Swarbrick: That's what I was wondering, if that's something you'd think would be reasonable.

Ms Misters: I think ability to pay is a very good, fair system. I don't think provincial sales tax or GST is a fair system, because it's not based on ability to pay. I realize that you can get a rebate, but you have to be in a pretty low income bracket to get those federal rebates. Maybe we should start from scratch and rewrite the whole act all over again. That would certainly give a lot of work to other people.

Ms Poole: Thank you very much for your presentation today. I know the area in which your business is situated quite well because it's right across the street from my riding.

It would seem to me that you would certainly benefit under a unit assessment system where it is the square footage of your building and your lot, because if you're comparing that to a lot out in Scarborough, you'd be paying the same taxes. It would seem to me that would be a system that would certainly be much fairer to you than the current one.

Ms Misters: I would think so, yes.

Ms Poole: That has been a proposal by the cities of Toronto and North York, but unfortunately it has never been given a comprehensive review, and Metro council just dismissed it out of hand because it has been quite wedded to going to a market value reassessment as opposed to it. I would think that with the unfair situation you are in right now, it would be benefited by a unit assessment system. Maybe that's something we can work towards if the government will let us.

Ms Misters: Thank you, and maybe we'll move across the street to the Toronto side.

Ms Poole: I'm not sure that under the current system that's going to help you a whole lot. In fact, it might even mean your taxes will go up further.

Ms Misters: Actually, they won't. For a number of stores on the other side of the street the taxes are going down, or they're increasing by only $200 if full-blown MVA is brought in.

Ms Poole: That's part of the very real problem. I've been talking to a number of the merchants on Bayview south of Eglinton, because that's where my family does its shopping every Saturday, except this weekend when instead we are in market value hearings. When I talked to the merchants, there were widely varying degrees of what their taxes would go up to. In fact, a few were getting decreases but their decreases were quite minimal, while the increases were in many cases quite astronomical and going to 200% or 400%, in one case 800%. That's another part of the problem, that there is no equity now and this particular proposal won't bring equity either.

1140

Ms Misters: I know. There was mention about doing all these reviews and potential to change the perceived problem in 1992, 1993, 1994, 1995. Could these reviews on the Fair Tax Commission not present their position before any property tax changes are implemented? Would that be something you could consider, or have considered probably?

Mr Turnbull: Indeed the question you have just posed is the question which I've been asking all week and many of the presenters have asked: Why on earth go forward with this legislation before we have the report of the Fair Tax Commission?

My wife also has a store on Bayview, just south of Eglinton, and I know the position you're in. The taxes you're going to pay are based upon this inflationary boom that occurred in 1988, peaked then, and as you were the tenant, you weren't in a position to take advantage of any of that increase. In fact we own our building, and we resisted any temptation to sell the building, so we didn't benefit from those prices, but now we're being punished because of the fact that there were a few people foolish enough to pay the ridiculously high prices of 1988, and your business taxes are based upon the property taxes.

Through no fault of your own, the fact that there was inflation, inflation Bob Rae used to say was terrible—they're blessing a scheme which allows taxes to be based upon the inflationary prices of 1988. In many cases, the properties on Bayview are worth half of what they were in 1988, and not just Bayview, throughout Metro, but particularly in the inner core of Metro. Perhaps you could just comment on that.

Ms Misters: What you say is correct. It is an unfortunate situation, but as Mr Stockwell said, this whole procedure is not a revenue-generating procedure, although I'm sure by some it's perceived to be. Perhaps another year might make the taxes more equitably distributed, as opposed to using the 1988 numbers.

Mr Turnbull: Yes. Indeed, Grey county already had the assessment numbers for 1988. Recognizing that 1988 was a very bad year, they have ditched it and they've said they're going to base it on 1992 numbers. They think it is more representative because it smooths it out more, rather

than a few properties which went bouncing up at the height of the market.

Ms Misters: I think it would be interesting to see what the values would be based on 1992 as well.

Mr Turnbull: Yes. You'd actually have substantially less taxes relative to the other people.

The Acting Chair: Thank you for your presentation.

Ms Misters: Thank you for listening to me.

PAULINE SHAPERO

The Acting Chair: The next presenter regarding Bill 94, Metropolitan Toronto Reassessment Statute Law Amendment Act, 1992, is Mrs Pauline Shapero. Would you come forward, please, and make your presentation. Good morning.

Mrs Pauline Shapero: I have here copies of the material I am going to refer to and I'd like to leave it with you.

The Acting Chair: Thank you very much. The clerk will take it and distribute it. We appreciate that.

Mrs Shapero: I'll start my presentation by telling you something from a standpoint of morals and what is happening in our midst.

The Acting Chair: Would you like to be seated? It's up to you whether you wish to stand, but the microphone actually will work better if you sit. Thank you.

Mrs Shapero: This brief starts in this manner. You have a copy of it.

The late Mahatma Gandhi once said, "One of the great sins of the world is politics without principles."

After presiding at a judicial inquiry in 1960, Judge Joseph Sweet made the following statements:

"For ever the rule of law is endangered. It must necessarily follow that liberty itself is imperilled. The rule of law cannot be confronted with greater peril than when the lawmakers themselves participate in its flouting or in its disregard."

Now, points of information on this brief.

(1) Although devious services of agents are legally available to landlords, free, at the disadvantage and at the expense of their tenants, a survey reveals that only around 14% of landlords in Ontario have applied for rent increases. This dates back to 1983, so maybe there are more of them now, but I doubt it.

(2) Opportunists and politicians under misleading programs are alarming people. In some instances these pretenders receive government-approved grants to accomplish this. They also collect tithes from the tenants.

(3) The abovementioned activities under the guise of democratic principle are pitting tenant against landlord and creating turmoil and hostility in places that people call home.

(4) Our country is founded upon the principles that recognize the supremacy of God and the rule of law. The rental review procedures are at the present time being legislated at a very high risk. They are a mockery of justice and offending the law. My recommendations to this commission will, without any doubt, be beneficial to both landlord and tenant, and the rule of law would be rightfully enforced.

The chairman, when he heard our presentation, made a comment. He's passed away and I could weep every time I think of it. He said, "I fought in a war so that people wouldn't live in fear." His name was Mr Goodrow.

Let's go to the Ministry of Housing. First of all, I'm going to read a declaration and I'll tell you how a lot of these people who are employed in these places live in despair.

"Mrs Shapero, your township is still bad. The leftovers of the Tonks gang is all you have got. Sorry I can't sign my name, but the enclosure will explain what I am wanting you to know. I wish I could help. God bless you. I'm too old. They plagued me for many years. I chose to make my living working in the administration. It was a terrible mistake. The memories are depressing. I am getting on in years with time on my hands, and I keep wondering if the clique will be finished in my lifetime."

Those are the kinds of declarations and I have dozens of them. But, please, have a heart. Here's another one. This comes—and I don't want to mention any names because I don't want to get any of these people into any kind of turmoil—from the rent review services branch. Here's what I wrote to him and then I'll read the reply.

"Dear Mr So-and-So, the authentic information I have left you for your inspection I am hoping will explain to you the intolerable circumstances that exist and are without restraint being further created. I am an optimist. In 1968, from an experience I had at Toronto city hall, I found out that one person can make a difference. I know that there are remedial actions that must now be directly taken. This can positively be accomplished diplomatically and would rescue people from devastating situations that have, without discretion, been implemented around them and are destroying them. I was about to discard these enclosed old documents, but on second thought I felt that I should give a person of your intellect an opportunity to read them."

Mr Goodrow came to our building because a woman was in terrible trouble, and he came personally and said to that woman, "I fought in a war so that people wouldn't live in fear." Everybody was trembling. They were paying all their money in rent that they could possibly spare, and here the landlord wanted, I forget what it was, around 20%, and he was pretty close to getting it. I hired the best lawyer on the North American continent. I paid him $5,000 and he went there and he searched the whole thing, he brought in the law and he made hash out of them. But that isn't what I want. I want to feel secure; I want my grandchildren to feel secure.

When I was 14, 15 years old and I saw the mayor of Toronto, I ran home to Borden Street and everybody on the street knew that I saw the mayor. I thought it was such a great thing to take a look at him and I felt that he was something out of the ordinary. I sang God Save the King every morning when I went to school. Today the children make hash out of the politician, they run him into the ground, because they're a little better educated than I was.

We learned different things in school. We learned to read and write, and arithmetic, and today they read the Toronto Star and I think that should be—they want to outlaw the lotteries for children under 16, I think they

should outlaw the Star and the other newspapers. I don't think that the children should be allowed to read them and learn that Hitler got $6 million a year to destroy the people in Germany. These kids are coming out and they're pretty smart and they say, "I wonder how much they get in Canada to destroy us." That's exactly what a 16-year-old kid said to me a few weeks ago—well, maybe a month ago.

1150

Here's Mr Robert Glass and what he did:

"Chief Justice Houlden

"Commission Counsel

"180 Dundas West

"Toronto Ontario

"Dear Sir:

"Mrs Pauline Shapero of the below-listed address has been in contact with rent review service on a number of occasions for over the past years. She has two general areas of concern. Her building has an application under rent review and we are helping her as she prepares her appeal. However, Mrs Shapero has a larger concern and that is the moral decay in our political system as reflected in the relationship between politicians and the building system.

"We are not in a position to help Mrs Shapero in resolving this matter. Mrs Shapero has extensively documented her concerns. She asks that these materials be copied and forwarded to the Houlden inquiry in the expectation that someone would speak with her. I have enclosed a copy of the material for your perusal. If you have any questions regarding the information provided, please do not hesitate to call me."

Here's a man with a conscience and he wants something to happen so that he can be proud of his appointment as a—let's say for helping the people rather than just being a tout for a bunch of politicians who are picking up the graft, and I said "graft". If you want to charge me with an offence, you can go ahead and do it, behind the scenes.

I'm a real estate broker and I could have made millions, as much money as politicians make on the quiet, but I don't like money. I'd sooner get up and do a good thing for a human being. I arranged most of the apartment buildings in Toronto, a lot of them—let's say a lot of them. No builder could get an apartment building unless he had the right lawyer and he knew which door to walk into.

My people, the ones I represented, got their permit because I blackmailed the politicians. I'm a blackmailer. I knew what they were doing and they were scared that I might come out and just put them where belonged—in hell.

Now let's go to Justice Houlden. I was called in and three detectives interrogated me for at least an hour or more. They were on my side but they had to play dumb. Very soon after, maybe days or a week or two, the Patti Starr commission was called off. So it served a purpose. At least the taxpayers weren't being taxed with the cost of running a farce. It's now a farce.

The material in that envelope that I gave you—because you'll come to the conclusion, I'm sure, that truth is stranger than fiction. I have the documented evidence that we're in deep trouble, and I'm not here for my own wellbeing. I was born in 1911, so I'm not going to live much longer. But I'm here for my grandchildren and my children. They don't deserve to take the beating that they'll take if you fellows don't come to your senses.

Let's go to another one:

"Mrs Pauline Shapero

"30 Edith Drive

"Apartment 712

"Dear Mrs Shapero:

"Further to our telephone conversation of June 28, this is to confirm that the Ontario Housing Corp is subsidized at a rate of approximately $1 million per day by the government of Ontario."

Now, are you going to get enough money to cover all these expenditures from these poor little guys that you're trying to tax? There's no such thing as market value assessment.

I happen to be a real estate broker, and when I went to get my real estate licence, Mr Kuchereppo was collecting bribes from everyone who got a licence, but he couldn't collect it from me. So he refused to give me my licence, and I blackmailed him. I called him at 3 o'clock in the morning at an unlisted phone and I got the phone from one of his neighbours. He said, "Why are you waking me up and taking me out of bed?" I said, "I can't sleep and you're not going to sleep either." Then a week later I got my licence. You see what I mean? Now, that's the atmosphere we're living in, but we don't have to live like this.

"Should you wish any further assistance, please do not hesitate to call us." Now, that is from the Ministry of Housing.

Here's a brief that I submitted, and I'll only give you a few lines from it because I don't want to keep you too long, "In conclusion, I want to say that Central Housing and Mortgage Corp is just a political pork-barrel for some and destruction for others."

I listened to a woman here who needed a licence to get her building permit to get the building going. Now, when a builder buys land, he takes the money from the bank and he pays interest on it, and if he holds that land too long, he goes into bankruptcy, if he can't get a permit to build.

I got them permits to build and I got the biggest and the worst slobs into the business. They didn't know any more about building than an alley cat does. But I went in and I stood up for them, because I felt that the politician was just waiting for a little bit of money to come in the back door and then anybody could get a building permit.

If I was in the picture, the politician didn't come in. They were afraid of me. To this day they're scared of me, because they've always felt that I cause them trouble. The minute they made the little donation—or big donation—they got their permits in a week or 10 days. You see what I mean? It was all smoothed over and put through.

I could even tell you about something else that would horrify you, and it's in the limelight right now. When the old people leave their estates to the government to look after them, well, this man happened to work—his name was Mr Roach. I'll mention his name. He's dead and buried. His mother owned a property and I was assembling an apartment building on Raglan Avenue.

Somebody phoned him and told him if he could get that property for a lot less money, they'd put a certain

amount of money into his pocket. It happened that he was the son of this lady, that the public trustee was looking after her property—they weren't looking after her property; her son worked there, so his name was on the title or whatever.

I moved in out of sheer coincidence, an act of God. I happened to go to a meeting in York township and he happened to be at the meeting. When he got up to speak, they were offensive. So I stood up and I said, "I don't like the way you're talking to that citizen." When I said that, they said, "That property is in the hands of the public trustee." He said, "Oh, no, it isn't; I am." Do you get the idea?

Usually they get red in the face when you catch them, but this time they went sick. They looked like they were all going to die. They called the meeting off quickly and they went into the back room. They went into the back room, and in the parking lot this developer came over—I guess he had made the phone call—and he said, "Pauline, quick, get involved and you'll make a commission." I said, "You go to hell." Just like that, right in front of them all. I said, "For the simple reason I didn't want your signature, your uncle's signature and everybody's signature in the business, because you'd cheat your own grandmother if she was still alive."

The next day I went down and they gave me a signature that I'd get the commission. Okay? Now Mr Roach, I got him the price that he was supposed to get, but they went to bribe a man—the bribes went in there like crazy and they're probably still going in, but that's how I learned about it. Now let's go to—

1200

The Acting Chair: We need to leave some time for questions. We certainly appreciate your presentation to the committee.

Mrs Shapero: Okay. You've got all the answered in that envelope I gave you, in writing.

The Acting Chair: I thank you for the background information and the documents you've presented here. We will make them available for the members of the committee to have a look at as soon as they can. I'm sorry that we are so short of time.

Mrs Shapero: I don't think you're giving me even—what is it, 10 minutes?

The Acting Chair: No, I think you started at 11:45. At least that's what I had recorded. But if you'd like to sum up with something and then if you would like to leave time for a question or two, we'd appreciate it.

Mrs Shapero: Okay. I've told you already that the housing uses $1 million a day. I called and asked them what they do with the money. He said, "It's all for paperwork. It fills up"—what are these places they're looking for garbage dumps? He said it fills up the garbage dumps, and they can't even get enough of the dumps for us to get rid of it. A fellow who works there told me that. That's not from me, because I don't know about the garbage dumps, okay?

The Acting Chair: Did you wish to—

Mrs Shapero: In conclusion, I want to say that the Central Mortgage and Housing Corp is just a political barrel for some and destruction for others. Free enterprise cannot and must not compete with governments. It is not honourable and has destroyed our economic stability in this country.

If you take all the money from the 200,000 tenants in Toronto, tell me who's going to keep those businesses going. I can't buy a new dress if he raises—it's up to $900 now; it was $195 when I went in there. But I don't care, because I don't need to eat too much and I don't go to these fancy places where you pay $35 a ticket, so I can manage it. I'm not complaining.

The Acting Chair: We thank you for your presentation.

Mrs Shapero: But I can't go down and buy a new pair of shoes every time I want to.

The Acting Chair: Do you have any further comment on market value assessment itself?

Mrs Shapero: Why? Look, I don't want you to treat me as though I'm a moron. I feel you're taking all these people and having them here under false pretences. That's exactly what you're doing. It said in the Toronto Star this weekend that by Thursday this market value assessment will be law. It's in the Star. I've brought you the clipping.

The Acting Chair: Yes. thank you very much. I know the—

Mrs Shapero: Why are you thanking me and why are you brushing me off? Aren't you a little bit interested?

The Acting Chair: The newspapers do comment, of course.

Mrs Shapero: I'm going to give you one more story. It says here, "Hitler got millions for leading German people to destruction." How much are you guys getting for leading Canadian people to destruction when you're sitting here and you don't even want to hear the facts of life?

The Acting Chair: The committee has been meeting for several days, hearing, as you would term it, the facts of life.

Mrs Shapero: Ontario, I believe, is very—

The Acting Chair: The committee is indeed appreciative of the presentations that have been made for its—

Mrs Shapero: I don't know. I don't want your appreciation. I want active measures taken and in a hurry.

The Acting Chair: Yes. Okay.

Mrs Shapero: Here's another thing. Hitler was—

The Acting Chair: Thank you. Just a moment. I think we have one question and then we'll have to move on. Was there a question, Mr Rizzo?

Mrs Shapero: "Hitler got millions for leading German people to destruction." I want to know what our governments are getting for leading the people to destruction, and you are leading them to destruction. There's no education system, the police and the courts are a fake and a farce, and I speak from experience, because I trusted to them.

The Acting Chair: Do you really—

Mrs Shapero: I went to the Don Jail one day to see who was there and why Regent Park people spend the weekends in there to get something to eat. I'm telling you the truth.

The Acting Chair: Ms Shapero, you are making very broad generalizations—

Mrs Shapero: I'd be satisfied—if you want to hang me, go ahead.

The Acting Chair: —but maybe you mean to. Maybe it's your intention to make broad generalizations.

Mrs Shapero: I want conditions to develop where you won't destroy everybody in our midst.

The Acting Chair: We will note that. Thank you very much. What you have said this morning is on the record.

Mrs Shapero: And here's a—I don't what it is. This is Ontario Hydro, a syndicate worse than crooks. They had the Lamport thing and everything they bought tripled. When they get away with getting away with half a million, the next time they jack it up to a million and each time it goes higher and higher. Well, they've come to the point where you can't live with it any more. You're through. You've got a deficit there in Queen's Park and you've got one in Ottawa.

The Acting Chair: Could we talk on this subject of market value assessment? That's why we're here.

Mrs Shapero: There's no such thing. I went to the same lawyer whom we paid $5,000 to appear before Mr Goodrow because money's nothing; money's garbage. You die tomorrow and you can't take it with you. If you leave too much for your kids, they ruin it, okay? Do you know something? He said, "Pauline, it's an insult to my intelligence to even talk about that."

The Acting Chair: I'm sorry to advise you that the committee has run out of time for your presentation. All of your remarks are recorded for the committee's consideration, and we now thank you for your presentation. Thank you very much.

Mrs Shapero: One more thing: when they built Ontario Place, I want you to know—

The Acting Chair: I'm sorry. It has nothing to do with the subject, and I thank you for your presentation.

Mrs Shapero: I followed the stadium up to the last, and the graft that was pulled out of those places is phenomenal. Now you can't do it. You're finished, everybody. There's no more left to steal. They're not even stealing; they're legislating a situation where they benefit financially, and they're mentally retarded, because they can't—if they wreck the country and there's no stability in the country, what can they do with their money? A lot of them put it in Switzerland.

The Acting Chair: I want to assure you, Mrs Shapero, that the members of the committee are concerned about the future of the country, the province and indeed local municipalities.

Mrs Shapero: I'm sorry that I can't say what you want me to say. I wish I could. I'd be very happy if I could tell you what you want to hear, because that market value assessment—I'm a real estate broker. I can sell a palace on one street for $150,000. I can get a shack down the street, and if a builder comes along who wants to pay $1,000 a front foot or whatever it is, I can get more for that shack than I can get for the luxury home.

The Acting Chair: Thank you very much for your presentation. I now declare the presentation concluded. Is Mr Nick Trianos present? Is Mr Trianos present? I am calling the third time. Thank you very much for your presentation. I now declare the meeting adjourned until 3:30 this afternoon.

The committee recessed at 1207.

AFTERNOON SITTING

The committee resumed at 1532.

The Chair (Mr Charles Beer): I call the standing committee on social development to order. We are meeting to discuss Bill 94, the Metropolitan Toronto Reassessment Statute Law Amendment Act, 1992.

WILLIAM DAVIDSON

The Chair: Our first witness this afternoon is Mr William Davidson. Would you be good enough to come forward, Mr Davidson. Welcome to the committee. Help yourself to some water if you so urge. You have 10 minutes for your presentation.

Dr William Davidson: First of all, I'd like to thank the committee for permitting me to speak and to express to you that this is my first direct exposure to the democratic process. I understand you've been sitting for a week now, and I surmise there'll be little new in my presentation. However, I've come to speak against market value assessment.

I speak first on my own behalf and inform you that approximately three years ago I bought a house downtown which happened to be the smallest house on the street. At that time and until the present, I've been paying approximately 7% of my disposable income on property taxes. If market value assessment is carried out in full, I have been informed by city council that I'll be expected to pay approximately 14% of my disposable income.

This house was bought in a good neighbourhood because I expected that when I retired from my present occupation, I would be able to sell it and use the proceeds thereof to live fairly comfortably for some time in the future. However, not only have the market values declined considerably since 1988, but market value assessment will surely permit or encourage this decline to continue. So I see both my present income and my possible future income being very markedly reduced by market value assessment.

I then take you to my office. My office is a converted residence which is also downtown. We have some figures provided to us once more by Toronto, and it looks like market value assessment will raise our present overhead costs, which are already 65%, to 75% and probably make the operation financially unjustifiable.

I believe my story is common to many in downtown Toronto and indicates a potential death blow to small business, particularly retail business on our streets.

Market value assessment, in my opinion, is inequitable as a tax base and I urge you, members of this committee, to listen to the people and to vote against its use. Thank you very much.

Mr Grandmaître: Are you self-employed, sir?

Dr Davidson: Yes, I am.

Mr Grandmaître: Has your net income increased by 14% in the last year?

Dr Davidson: My net income? I'm a doctor. I've seen a steady decrease in my net income over the last 10 years. Our overheads keep increasing, the taxes we pay keep increasing and, as you know, the government hasn't seen fit to permit us to earn money at the same rate as we're losing it.

Mr Grandmaître: If I'm not mistaken, you told us that if MVA or this scheme is applied, your increase would be 14%.

Dr Davidson: No, my increase would be from 7% of my disposable income, what I'm left with when I pay my taxes and my overhead, what I take home; 7% of it goes on property tax now. The indicated figures make it appear, by my calculation, that this would be almost doubled to 14% of disposable income, to pay taxes on a house which I thought I had already bought.

Mr Grandmaître: If MVA goes through, what will be the increase on your property?

Dr Davidson: It will be $8,000.

Mr Jim Wiseman (Durham West): Could you give me an idea of the location of your house, the frontage, the tax, so I have an idea where it is?

Dr Davidson: My house is on Roxborough Street, the first street above the Rosedale subway. We're on a corner lot. I can't tell you the frontage because I don't know which street it's on, on the corners. I can't answer that question. What was the rest of your question?

Mr Wiseman: I was trying to get some idea of how market value assessment plays out throughout the city. In my community, we've had market value assessment for a long time, and the distribution of taxes is not as great as it appears to be in terms of Metro. I'm just trying to get some idea of property values, how much it costs to buy the houses, frontage, what the services might cost, transit delivery, what it would cost to pick up garbage and that kind of stuff.

Dr Davidson: Quite simply, the house I live in cost me $1.175 million. I bought it in 1987. It's market value was assessed in 1988 as $1.5 million. They got an increase of, what?

Mr Wiseman: Forty per cent.

Dr Davidson: Not 40%, but a big increase. It's over 30% in one year. Of course, as you know, the prices have all collapsed, and it's probably worth less than I paid for it now, if my friends in the real estate business are to be believed. I would love to know the philosophy behind the taxes in the first place. How can anybody turn around to their citizens and say, "We're going to double your taxes" on any account?

The Chair: I'm sorry, I'm afraid the time is over. Thank you very much for coming before the committee.

1540

ALLAN MORRISON

The Chair: I call Mr Allan Morrison. Thank you very much for coming. Please go ahead once you're ready.

Mr Allan Morrison: After reading the Globe this morning, I question the value of my presence here this

afternoon, but I've been able to rationalize that on the basis that it will make me feel better after it's all over anyway.

I live in the city of Toronto, and I have a house that's worth $500,000. I have a nephew who lives in Scarborough. His house is worth $400,000. His house is bigger than mine and sits on a larger lot. His income is twice that of mine. His net assets are three times those of mine. On top of that, he drives a 1992 Jaguar and I drive a 1985 Toyota.

Ms Swarbrick: You've been doing something wrong.

Mr Morrison: He has four children who are all in the public school system. My two have left home. I have no problem with taxes going to serve the commonweal of education. But Allan Tonks and his band of parochial politicians at Metro Hall think this is good tax policy, and they want to come into my bank account, take my money and give it to my nephew to help him pay his taxes. Of course, when you rob Peter to pay Paul, Paul never complains.

It's so apparent to me that MVA is fundamentally flawed and fundamentally wrong that I really don't understand how our political people can push this thing through.

One more anecdote: I worked hard, saved my money and bought a nice house. A friend of mine worked hard and saved his money, but he was a sailor. He bought a 30-foot sailing boat. He bought a cheaper house with a smaller mortgage and used that money to maintain the boat and travel. A third friend of mine never could hold a job, never could save any money, gambled it all away, drank it away, but he finally married a woman with a few bucks and went out and bought a real cheap house. These same people at Metro Hall want to take my money and give it to the other two people to pay their taxes. It's that simple. It really is that simple.

There are options out there, and there are good options out there. I'll just pick one. Every dwelling unit in Metro Toronto should pay a basic, fixed dollar amount. Let's say $2,000. On top of that, you would go to unit value assessment and add a variable on, based on square footage and based on lot size—simple, stable and fair.

That's about all I want to say this afternoon. Finally, we have too much government in Metro. We don't need city hall and Metro Hall and we don't need the councillors with all their lawyers and social workers and traffic engineers, special assistants, secretaries and word processors. If you want to do something really good for Metro, whittle down two levels of government to one level of government.

The Chair: Mr Morrison, a few questions.

Mr Turnbull: I agree with every word you said. I'm not sure if $2,000 is the right number for the base amount, but I agree we should start with a base amount and then build unit assessment on top of that. I believe a base fee, whether it be $500, $1,000 or $2,000, whatever it happens to be, would at least reflect the fact that this government wants basement apartments; it seems to be pushing that. If you have multiple dwellings in a house, it would seem reasonable that you have multiple base units, and on top of that you build the unit assessment.

Mr Morrison: That would complicate the issue.

Mr Turnbull: And I agree with you that we have too many levels of government. Ultimately, we're going to have to wake up in this country. We are taxing people too much, and I'm not pointing the finger at any single party. Every party in this country is culpable in this respect. We are killing the people in Canada and ultimately we are taking away our viability, and that's why people are leaving. We must listen to people like you and say we've got to reduce the amount of government, because otherwise we'll never be able to reduce the amount of taxes.

Mr Morrison: MVA has no direct bearing on income, net assets, level of services. It's wrong. It's that simple.

Mr Turnbull: In your example, where you said you have a smaller house than your friend, whereabouts is your house?

Mr Morrison: North Toronto.

Mr Turnbull: And your friend's?

Mr Morrison: He lives in the extreme east end of Scarborough.

Mr Turnbull: Interesting. But they would say yours has got a higher market value, and therefore you should be paying more taxes.

Mr Morrison: Of course.

The Chair: Final question.

Ms Poole: Thank you very much for your presentation, Mr Morrison. I think with your stories you very graphically illustrated that we aren't correcting an inequitable system, we are compounding the inequities and just trading one set of inequities for another.

Mr Morrison: I agree.

Ms Poole: You've mentioned that you think if we had a base amount that was charged, plus unit assessment—

Mr Morrison: Plus a variable for unit value.

Ms Poole: —basically the size of the lot and the house, this would be a much fairer rate and, quite frankly, I agree with you.

Mr Morrison: It's more stable, it's understandable and I think it's fair.

Ms Poole: Just one last comment in that regard: I think, in addition to being stable and being easy to comprehend, it would also have the added advantage that the amount, whatever it is, whether it's $2,000, $1,000, $500, that base would help alleviate some problems, for instance, in Scarborough, where they have larger houses and large lots. It would help bring that differential down so they wouldn't be as unfairly taxed; everybody would be paying a base and we'd go from there.

The Chair: Thank you, Mr Morrison.

JOHN NEWHOUSE

The Chair: I call Mr John Newhouse, if you would be good enough to come forward, sir. We welcome you to the committee. Once you're settled, please go ahead with your presentation.

Mr John Newhouse: Thank you, Mr Chairman, honourable members. I'm a little bit hard of hearing, so if

there's any response, I wish you would use your microphone. I left you a brief.

The Chair: Yes, it's being circulated now.

Mr Newhouse: It's called Province-wide Implications of a New Tax Differential System in the Assessment of Real Property. I am from outside of the city, from the town of Tavistock, but a lot of people outside of Toronto are following the MVA debate with great interest, because it has possible implications for the entire province.

I have a clipping here from the mayor of Ingersoll, Mr Rodenhurst. He is afraid that his town is going to suffer as a result of reassessment, so he's against this reassessment because he thinks further outlying areas are going to benefit, and the town of Ingersoll is going to get stung. This whole MVA debate pits inner cities against suburban areas. Sorry that you're getting overloaded with all this paperwork, but that's part of the game.

I don't want to read the brief that I have, it's all well-known planning matters.

The Chair: Mr Newhouse, if you want to highlight it and then just leave some time for questions, we have 10 minutes.

Mr Newhouse: Yes. On page 1, I had underlined that "the efficiency of urban services is in inverse proportion to its urban expansion." What I'm saying is, the bigger a city becomes, the more unmanageable it becomes, the more inefficient it becomes. Eventually, cities are going broke, which we are all familiar with in North America. That's just a well-known fact.

I'm suggesting that instead of looking at municipal taxes just to get money for services, we look at municipal taxes as a planning tool. I agree with people who say that if you increase the tax load on inner cities, it's going to cause urban blight. I also agree that if you decrease the tax load on suburban areas, it's going to encourage further growth. If we continue at the rate cities are expanding now, there's going to be chaos in 25 years; there's no doubt about it.

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You have to look at what's happening in Cambridge. It's chaotic development. If you look at London, there are 64,000 acres for further city expansion. If you look at Thorold, there's an entire new city developing around Brock University. If you look at a small village like Chippawa, there are three roads going north out of Chippawa, each with a ribbon of development.

Twenty-five years ago you could count the amount of residences on the fingers of both hands and now they are innumerable. I could go on and on. On the corner of Highways 97 and 401 near Cambridge is an an entire new truck service centre, and eventually people want to live near it. Urban sprawl is still ribboning and still leapfrogging into the countryside.

It doesn't only affect the tax base and the tremendous amount of cost for servicing those outlying areas but it also affects the environment, it affects wildlife and it affects farming. It detracts from urban transportation, because the more people you are drawing out of the urban centres, the more people are going to rely on automobiles.

What I'm suggesting, therefore, both to stop or diminish urban sprawl and make the cities more efficient, is that we try to counter urban sprawl by taxing new development at a higher rate than at present. In other words, you would have a differential tax rate where you would tax the urban cores less and you would tax the suburban areas more.

I realize this cannot be done overnight, because what has been going on for 40 years cannot be undone in a matter of a few years. If there are developers who have invested money in land, they're not going to be very happy. We need the cooperation of everybody.

My suggestion is that if you want to tax outlying areas as a deterrent to further urban expansion, you formulate a new tax differential plan which would be implemented over, say, 25 years, a lifetime, so that people know what's going to come but at the same time they're not going to be hurt immediately.

I think politically that would be a good solution. We never know whether a Tory government or a Liberal government or an NDP government is going to govern for ever, but I'm very sure that if this present government took a step such as this, possibly this government could go down in history. Possibly this example in Ontario would be followed by other cities throughout North America and some historic breakthrough in the control of urban expansion could be made.

That's basically what I have to say.

The Chair: We have time for two questions.

Mr Wiseman: I read your brief quickly and I was listening to you. I like your notion of controlling urban expansion.

One interesting deputation was from Joan King, a regional councillor in Metro, who indicated on the weekend that market value assessment would in fact encourage increased concentration in compact urban form in the—

Mr Newhouse: Could you say that again?

Mr Wiseman: Compact urban form; concentration of people.

Mr Newhouse: MVA would encourage that?

Mr Wiseman: Yes, that's her contention based on the notion that—

Mr Newhouse: No, I think I said the opposite.

Mr Wiseman: I know you said the opposite. I'm throwing this out at you as a thought because what she said was that property taxes would be so high with market value assessment on high-value property that you would have to add storeys to it in order to make the property pay for itself. Would you care to refute that?

Mr Newhouse: I would say that if you equalized assessment all over the province so that everybody knew what his property was going to be rated at, there's no problem. But it's the rates you apply that bring in the taxes, not the assessment. If you have market value assessment all over Metro or all over Ontario, that's fine, but it's the rates you apply, because industry and commerce pay a higher rate, supposing I say 10% more than residential taxes, and industry pays, say, 15% or 25% more than residential taxes.

In the same way, you can make categories in residential to equalize the assessment. You can tax urban core properties at a lower rate, say, at an A rate, and people who are removed a certain distance from the centre of the services at a higher rate. You could eventually have three or four different rates, depending on the distance the services have to traverse. There is no end to the cost of services when you expand a city.

Ms Poole: Thank you for your very sensitive brief. We particularly appreciate that you came, I believe you said, from Tavistock.

Mr Newhouse: Pardon?

Ms Poole: You came from Tavistock. Is that correct? Is that what you said at the beginning?

Mr Newhouse: Yes, I did, two hours down the road, but the roads were pretty good.

Ms Poole: Right. We very much appreciate that you came from Tavistock to present to our committee. It is particularly important because you are not a player in the Metro debate, so you don't have any parochial interests like the rest of us do.

I thought your brief extremely sensitive in pointing out the difficulties with preserving our urban core. We had a presentation, I think it was yesterday—was yesterday Sunday?

Mr Stockwell: Yes.

Ms Poole: Yes, it was yesterday—by Barbara Hall, who made the statement that in every decade in the last three decades there has been a Premier who has intervened in a local matter in order to preserve the city of Toronto.

She cited Premier Davis in 1970s stepping in to stop the Spadina Expressway. She cited Premier Peterson in the 1980s as stepping in to put a freeze on the waterfront lands and declare a provincial interest. It was her supposition that the Premier of Ontario, this time an NDP Premier, should make his mark in history by preserving the city of Toronto by stopping this plan, and doing precisely what you have been suggesting, an in-depth study of urban servicing and preserving of our urban core.

I'd just like you to comment on that. Do you think the Premier would have a right to intervene in this matter? It has been said it's a Metro matter decided by the democratically elected Metro council. Do you believe Premier Rae should step in and say, "Regardless of what Metro council has said, we do not believe this will preserve our city core"?

Mr Newhouse: I believe there's an urgent need for the provincial government to intervene, simply for the reason of overriding parochial interests. We all know local politicians vote for developers and expansion and taxpayers, if they demand so, even if it's contrary to all planning principles. It's as though the federal government were to give up defence to the provinces.

I think the provincial government would be wise to amend the Planning Act to provide for these tax differentials so they are applied uniformly across the province, because there is a definite correlation between urban growth and cost of servicing. The provincial government is on the right road in that respect.

The Chair: Thank you very much for coming in, and thank you for your presentation. We appreciate it. Safe trip home.

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JOSEPH BOBYK

The Chair: I call Mr Joseph Bobyk, if you would be good enough to come forward. Welcome to the committee. I hope I've pronounced your name properly.

Mr Joseph Bobyk: Correct. You're one of the few who has been able to do it.

My name is Jos Bobyk. I was a businessman in the downtown area for 34 years. I'm speaking here as an individual, and I suppose as a senior citizen, with my own personal concerns. Unlike the first gentleman, who said he never had any confrontation or any dealings with any government body, my experiences have been different in the past. Back in 1959, I had the unfortunate experience of being expropriated, my entire business with the whole staff and all—just receiving a letter with a 28-day notice and $3,000 plus 5% for inconvenience. It took me a four-year battle; the lawyers ended up with all of it. I was fortunate to find temporary headquarters through my suppliers and such. I decided this was never going to happen to me again, seeing I was in a rented place, even though I still had a three-year lease.

I bought my own place on Avenue Road, worked very hard for eight years without a day off, but I was going to have my own place. The day I was moving in, the moving vans arrived only to be unable to enter Avenue Road, because the city that day was tearing Avenue Road up for a period of several weeks for the purpose of widening it. Back I went to temporary quarters through the kindness of other people.

I bought a house in the Annex. It was the first house next to St George Street. My concern was, because St George Street has a lot of apartment buildings on it, what were the chances of this happening right next door to me? The people at city council said: "There's no way. First of all, the lot is only 100 feet by 120 feet; there's no way they can put up a high-rise. Secondly, the two houses that would have to be removed are both heritage houses."

I bought this lovely little house where I intended to live; as a matter of fact, still am 23 years later. I bought in 1970. In 1972, suddenly a 120-foot skyrise is sitting 30 feet away from my house and at the back, a 40-foot medical building. I've lived through all that.

While I was still in my 50s I had to retire. I sold my business. Fortunately, through all that, I'd made enough to retire very comfortably, or so I thought. Then came MVA. I went down to Metro Hall or, as somebody has called it, "Tonks Towers," for two days and listened. It was such a mishmash, but always it seemed that everybody was ganging up on downtown Toronto, which upset me very badly.

When I first thought of speaking to you, I had planned to defend myself for different reasons. But now I've changed my mind: I've nothing to defend. I have lived in the Annex since the 1940s. I lived there in rooming houses when the whole area was rooming houses, run-down and everything else. I was going to school at that time; that's

all I could afford. I later moved into a flat, later into an apartment, then I got a coach house and finally I bought myself a house I could afford where I would live, loving that area, and where I would retire.

When I bought the house in 1970, the taxes were $784. Today I pay just under $3,200. Though the assessment hasn't changed, I hear, the taxes have been going up all the way. I'm a semi-detached, one of four houses on a lot of 105 feet that the four houses share. The average taxes are $3,100. I'm the only one fortunate enough—and I planned this—who has a driveway. The other three have no driveway; they have no back lane; they have nothing. They have to rent space in the apartment building garages or else they pay for street parking, if they can find it, an additional expense.

Under MVA, my property will be going up from $3,200 to approximately $5,900. Totally, speaking of the four houses, the taxes now are $12,322. Under MVA, the four houses will be $20,446. I'd like to compare, as the people in the boroughs have been doing all along. Say we take a house at $350,000 to $450,000. How many houses are there in the boroughs on a 20-foot or 30-foot lot? Yet take that 100 feet that the four of us live on, and the costs are the same as they would be for 100 feet in the suburbs: 100 feet of installing sewers would cost the same, 100 feet of paving would cost the same, 100 feet of plowing would cost the same, sweeping the streets, water lines, even policing. Police on patrol in our area cover four houses, whereas in the suburbs they will probably cover only two in that 100 feet, or maybe three. Therefore, where do these people say we are taking advantage of them, that they are paying for us? I just don't see this at all.

I am a retired citizen. Through the years I've been retired now, which is 14 years—I had no pension because I was self-employed—my income has dropped 40%. Inflation, taxes and so on keep going up, which means you're getting along on less and less.

A very interesting thing: I picked up the paper yesterday and I read about Health Minister Lankin's new project, which I think is a long-overdue idea, where she says it's time to keep senior citizens at home where it's less costly and where they're more comfortable. Fantastic. I'm a senior citizen. I bought this house. It's a little bigger than I require now that my family is gone and such, but it's an ideal place in that I could change a portion of it to have somebody live in to give me the chance of living at home, to live in my own house where I've been for 23 years, where I chose to live.

And now my taxes, within the next few years—right now, yes: 10% this year, 10% next year. Then what happens? It will be a minimum of $4,000, maybe $5,000, $6,000, $7,000, $8,000 after that. Are you going to take $8,000 away from me, which means I'm going to have to give up my house? Because I've already had realty people in to evaluate it and see what I can possibly do to make ends meet? You're going to take that $4,000, $5,000, $6,000 away from me, take me out of my house. Then you're going to turn around and have to pay a homemaker $10,000, $15,000 or $20,000 to come in to look after me when I could look after myself.

As a senior citizen, like the rest of our generation, we worked and we believed we got what we worked for. We never asked for anything. I'm here today, ladies and gentlemen, with the same feeling. I'm not asking you to give me or other people like myself anything. All I'm asking is, please don't take any more away.

The Chair: Thank you very much, Mr Bobyk. I regret that we've run out of time, but I do want to thank you for coming before the committee and giving us your story.

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SANDY AGUANNO

The Chair: Could I ask for Sandy Aguanno. Mr Aguanno, thank you for coming to the committee. Please go ahead when you're ready.

Mr Sandy Aguanno: Thank you very much. I'm going to focus on commercial property, because that's what I own and that's where I believe the most damage has been done, and the injustices have never been dealt with or removed.

Market value assessment has absolutely no relevance to the taxes a commercial property should pay unless you factor in the viability of that commercial property. If a store is vacant, if the rent is cut or the income of the property is less, it is worth a lot less. However, a vacant home doesn't really lose as much in terms of its value. It retains a much higher percentage than a commercial property does.

Unfortunately, there are only a few politicians I've heard from and talked to who understand that MVA is going to cause the demise of a lot of commercial operations in the city of Toronto and in the suburbs. Unfortunately, my two representatives, whom I talked to, don't share the views that it's going to close, or if they do, they certainly aren't concerned with the minority viewpoints. They are supporting the residential side. It's what I call residential tunnel vision, because there are other people in the borough of Etobicoke, where I'm from, who are going to be hurt by this.

Unfortunately, a lot of people in Etobicoke I don't think realize yet that MVA is going to increase taxes for them as well. My point here is that I'm not able to get fair representation from my local officials because they have biases. Their biases are not directed towards me at all; they're directed towards their residential constituents and, possibly, towards their own personal gains they'll get through MVA. In one particular case, the local councillor—while my store is going up in taxes, his store is going down $5,000 a year, so I don't think he can really represent my views.

I own two small stores in Etobicoke with an apartment above the stores. The area of the stores is approximately 500 square feet each. The properties are approximately 18 feet or less. In other words, the property is 75% residential and only really 25% commercial, but I'm being taxed as if it were a commercial property.

Here are some examples of the unfairness that affects commercial owners:

(1) The method of assessment of small commercial properties is inadequate and out of line with true values.

The Queensway and Royal York area, where my store is located, is one of the poorest in Etobicoke. In one small

block of eight stores across the road from my building, six are vacant. Down the street, four out of six stores are vacant. Business has never been good there and it doesn't command the kind of rental income that you can get in better business sections, yet this MVA is going to try to level out taxes to a much greater extent. That's simply not fair unless you look at the income of a property.

When I spoke to the assessment branch, they told me they assess commercial properties much the same way they assess residential properties. They don't factor in leases, income levels and relative location, which all have a significant bearing on the value of a commercial property. In fact, two commercial buildings close to each other can differ substantially in value depending on the income level of that particular property.

The 1988 assessed value placed on my property greatly exceeds its true market value. For example, my gross income will be 14 times my assessed value. When you compare this to other income properties whose income is only seven or eight times their assessed value, you realize the injustices of MVA. These assessment mistakes will cause more business to fail, and I think it will be a disgrace to our cities and the province to have these empty stores sitting all over the place.

(2) MVA does not take into consideration the true market value of commercial properties immediately following the 1988 assessment. Here you have to understand that the moment they make an assessment on a commercial property—for example, a $5,000 increase on that property's taxes could reduce the actual value of that property by $40,000 to $75,000, yet they still assess us at the full market value, which no longer exists, because once you increase the expenses and reduce the income you reduce the market value. That wasn't taken into consideration by the assessors.

Income properties are valued according to income. Increases to residential tenants are fixed under the Landlord and Tenant Act. These tax increases we'll be facing on commercial properties can't be recouped from residential tenants because they're capped, and we can't go back to our commercial tenants because most of them are hanging on by their fingernails. Either we're going to have an empty store, which I expect to have, or put them out of business completely.

By the same token, owners of commercial properties in the better business sectors have already established their rental income in line with their taxes. In other words, that's been factored in. Sure their taxes might be higher than what they think they should be, but their income is also relative to their expenses in many of these cases. They've factored that in. It's been their overhead now for the last 20 or 30 years. But now, because of MVA, their increases and income will jump up substantially, and so will the value of the building they own.

Does the MVA system plan to equalize and redistribute the wealth? My property is going to go down. Their property is going to go up. I didn't know MVA or taxes were supposed to influence and affect market values of houses and properties generally, but that's what this is doing.

The premium applied to the mill rate for commercial properties is discriminatory. Historically, the mill rate on commercial properties has been significantly higher than residential and residential income properties. Why, for example, should I pay twice as much taxes as a comparable residential property? Why should I pay twice as much taxes as a comparable duplex that has equal or greater income than my property? There are numerous examples of these inequities if you want to look at and look for them. Where's the fairness in the system?

It's unfair to require small businesses to pay taxes based on the assessed value of the commercial property. Why are business taxes tied into the assessed value of the property? The assessed value of the property bears no relation to the value of the business. This is a double whammy on businesses, because MVA means that the business taxes are going to go up at the same time the business owner is going to be expected to pay a higher rent because of the tax increases on that commercial property. They're hanging on by their fingernails and they're going to go out of business. There's no doubt about that, and you can't get blood from a stone.

The final point I want to raise is that MVA distorts the relationship of property taxes compared to the level of income from a commercial property. This distortion will seriously affect the ability of a property owner and business to refinance. Obviously, if you reduce the value of a property and it's coming up for refinancing, the banks are going to say no, and you want to believe it, because they've said no to me. If they say no on refinancing, you're out of business, if not bankrupt. They're going to force you out, and I think this is just a disaster and criminal that this can happen.

The one point I wanted to make was that it's taken 40 years for this system to get this far out of whack. I don't dispute that there are inequities in the whole tax system and that they've got to be dealt with, but in commercial properties, if it's taken 40 years, it makes sense to take 30 or 40 years to balance off the inequities, wherever they might be. Find a good system that's going to come up with a fair tax and then take 30 or 40 years. Businesses can't generate more income simply because somebody has said, "You're going to pay double the taxes you paid last year." That money has to come from somewhere. The businesses aren't generating more income and neither is the building, and you're devaluating the property at the same time. I think that's all I had to say.

The Chair: Thank you very much, Mr Aguanno. Your timing is impeccable, right on the 10 minutes, and we thank you very much for your presentation and also for the submission you've made.

HUB B. KEENLEYSIDE

The Chair: I call Dr Hub B. Keenleyside. Dr Keenleyside, welcome to the committee. I know you have been listening to a good deal of the presentations over the last week.

Dr Hub B. Keenleyside: I'm on medication which gives me a dry mouth, so it's very important to have this.

The Chair: Good. We've got lots of water.

Dr Keenleyside: I won't be over eight minutes, I don't think.

The Chair: Okay. Please go ahead when you're ready.

Dr Keenleyside: I am an anaesthetist, 65, and practised in London, Ontario, for eleven and a half years, from 1957 to 1968. I relocated to Toronto in January 1969 and retired December 1990, two years ago now. I had to retire, actually. It wasn't of my own volition. It's one reason I'm drinking this.

We live in North York at 20 Berkindale Drive, a small bungalow on a 125 by 75 lot. We think it was built about 1953. It's one floor, three bedrooms, two bathrooms and half a basement. It was bought December 23, 1968. Only three homes were available that were relatively close to schools and the hospital. After selling my home in London, I looked at the three homes in North York. I looked at 20 Berkindale Drive in the morning, bought it in the afternoon and drove back to London in the evening.

I paid $64,000 for the property, and in 1989, 20 years later, was offered $1 million for it. It was an unusual offer. The intent was to tear it down and build a monster home. I later learned that I had bought just before property values began to rise. The property value in 1988 was $684,000; 1990 would have been a better base year.

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We did not want to sell because I was still working and had to be close to Bayview in case of an emergency at the hospital. I had no idea when I bought the house that property values would escalate like this. I did not realize either that I was moving into one of the most sought after locations in Metro. Why should I be penalized just because of this unexpected property value escalation? There was no point moving to another location that would subsequently decrease in value. We couldn't move to Stouffville, for example, to get lower taxes.

It is somewhat of a paradox that when I was working, my taxes were lower, and now when my income is lower, my taxes are higher. We are also outside the Yonge corridor, so it is still at least 20 minutes by TTC bus to get to the subway. Why are monster homes' taxes going down when a small bungalow like ours is going up? I submit that these considerations and others represent a gross inequity to me and to thousands of other home owners across Metro. That's all there is.

The Chair: Thank you very much. We have time for a question.

Mr Turnbull: Can you tell me about the neighbourhood you're in? Is there a lot of redevelopment going on, builders buying houses and knocking them down?

Dr Keenleyside: It's a good question, because they're all over the place, stretching from our house up to Harrison Road and from Old Colony to Heathcote, that area. I used to take walks around the area. I haven't counted them, but in that relatively small area I'll bet there are 15 to 20 monster homes, and some they haven't even been able to sell.

Mr Turnbull: In other words, the value of the lots was bid up by these in-fill builders, and the people who didn't sell are now being penalized for the increase in prices that the developers bid up.

Dr Keenleyside: Exactly. It's a domino effect almost.

Mr Turnbull: So really what we're doing with this plan is blessing the speculation and inflation that set in in 1988.

Dr Keenleyside: Exactly.

The Chair: Thank you very much, Mr Keenleyside, for coming before the committee.

DOWNTOWN FINE CARS INC

The Chair: I now call upon the representative from Downtown Fine Cars Inc. Perhaps you'd be good enough to introduce yourself for the purposes of Hansard, and then please go ahead.

Mr Gerry Peterson: Good afternoon, Mr Chairman and honourable members. My name is Gerry Peterson. I am the general manager of Downtown Fine Cars. This is my first opportunity to address a committee of members of Parliament. I had always gone by the old adage I'd heard years before that said: "Should I write a letter to my member of Parliament? Each member of Parliament has two ends, a thinking end and a sitting end. Since his whole success depends upon his seat, why bother, friend?"

However, market value assessment has brought even the general managers of car dealerships out to address you.

The Chair: You're welcome for it.

Mr Peterson: A news broadcaster said today the committee is going to wind up hearings, due to the repetitive nature of the submissions. I say, "Bravo," we're all singing from the same song book. If you need convincing as to the impact this initiative will make on employment in this town, I suggest you take your committee on the road and visit businesses door to door, those that aren't displaying for rent signs or for lease signs. You will see in short order the reality of the situation.

Downtown Fine Cars' specific case is simple: Present realty tax amounts to $103,035; under full implementation, taxes would increase to $273,560. Under the stepped proposal, operations will not generate sufficient revenue to pay the tax.

Clearly, we are at an impasse. The government has become a latter-day Sheriff of Nottingham, increasing taxes to support the nobility, the civil service, who enjoy salaries and benefits that no private business can afford, and taxing the serfs, small businesses, who work longer and longer hours for less in order to support the system.

Ask yourselves, what do you expect to happen? Businessmen often go through this process when they're making a change that will affect the marketplace.

When the taxed do not have the ability to pay, what are the options? Here are some scenarios: The business would cease to exist. What would that result in? (a) You don't get the $103,000 you currently enjoy; (b) you get 60 people on the street looking for jobs; (c) your city will become a ghost town.

You force a tax revolt. Otherwise law-abiding citizens are forced to break the law due to ill-conceived policies. The fragile structure of our society will break down.

All you have to do is look back as the federal government and the provincial government—I'm not an apologist

for smokers, but what they thought they'd do is they'd tax smokers out of existence. What's happened? It's like the Volstead act in the United States. You've got a criminal area now that's selling cigarettes and nobody's paid less for their cigarettes than they're paying right now.

By coming forward with some of these policies, you're going to have a tax revolt on your hands because it can't be paid. It's as simple as that. It can't be paid.

A third possibility: Investment leaves and moves to a climate where profit is not a dirty word.

Provincial and federal governments plan to invest in job creation. For the most part, these jobs are short term with more money being spent on the administration than the actual workers.

Can you not see, at this point, your best efforts would be in job keeping? For the annual salary of one public servant, you can keep 60 people employed. Who will make that sacrifice? Is there anybody out there who is altruistic enough within the provincial government, within Metro government, who would make the sacrifice to give up his job and allow a business to exist that would employ 60 people?

Our dealership has already sacrificed 17 employees to the recession. The date these assessments were made, we had 77 employees at Downtown Fine Cars. We now have 60. That's 60 even as far as two weeks ago. The result was that when we had two apprentice mechanics we were training, we had to let them go. Who is going to step in?

You always have the great schemes for job training and creation. These people were getting trained. Who, at the level in the civil service, would come forward and give up his job so that businesses can run? What have the government employees sacrificed? You people know what is right, and to coin a phrase, just do it. Thank you very much.

1630

The Chair: Thank you very much. I have Ms Poole and Mr Stockwell.

Ms Poole: Thank you very much for your presentation today. I think in a very succinct way you have laid the problem before us. It's just a shame that Mr Mammoliti wasn't here. He loves fairy tales. In the rent review hearings he told the tale of Robin Hood, where the landlords were Prince John and the NDP government was Robin Hood coming in to save the tenants from this dastardly evil. To carry your analogy one step further, I think the government has now been called the Sheriff of Nottingham, the evil arm of Prince John, so I think they've come down since Mr Mammoliti first told his fairy tale.

I want to ask you about the results you've talked about on page 2, where basically you'll have a business paying no taxes, you'll have 60 people on the street looking for a job, and the fact that our city will become a ghost town. Mr Turnbull and I have been accused by one of the government members, as recently as yesterday, of using fearmongering tactics by talking about some of these potential impacts. I say "potential," but I truly believe they will happen. Would you like to comment? Is this fearmongering or are you convinced that if this plan comes in, it will have a devastating impact on the business in Toronto?

Mr Peterson: People who don't believe this will happen have got cotton all around their heads. They don't sit down and get their sorry butts out of bed like I do at 6 o'clock every morning, and don't go home often until—I won't be home until 9 o'clock tonight. When I have to let somebody go, when I have to dismiss one of my staff, I feel it heartfeltly. It's a very sad situation when this has to happen.

A Volkswagen dealership changed its sign in northern Toronto; it hasn't resurfaced. There are all kinds of automobile dealerships that are already out of business. They haven't resurfaced; they're gone. There are fewer and fewer of them around, and we're part of the fabric of this community.

If you don't think that this is real and this is going to happen, then just sit and watch it go. You can probably run a stagecoach through the centre of this town, and the only people who will be able to make it down here are the people who are employed at Queen's Park. This is going to happen, and it's not going to get better.

I was a banker for 17 years before I got into the automobile business, and I saw many businesses fail. They say bankers have got cruel hearts. The politicians' hearts aren't cruel; they just don't know any better. They're not where the rubber hits the road, as we say in our business. You've got to get down there and interview the people we've had to lay off.

The last thing businesses such as ours want is to see employees go, the very last thing. If we can hold anything out together—our shareholders have written Bob Rae a petition. We haven't had any dividends in three years. If you think people are going to invest millions of dollars and not have any dividends, then I suggest you put your savings in that same bank account of small business that we put our savings in and expect no interest. It's serious, and you've got to pay attention to it.

Mr Stockwell: How long have you owned Downtown Fine Cars?

Mr Peterson: I am the general manager and small shareholder. I've been there five years.

Mr Stockwell: You don't own it?

Mr Peterson: No. However, we don't enjoy small business tax rates. Every nickel, every red sou we do make there is taxed at the 50% rate, sir.

Mr Stockwell: I know all about it.

Much has said about this tax revolt. Many people I speak to, including people in the car business, are getting major reductions because they've been overpaying their taxes for a significant number of years. They suggest that if they don't get their reductions—not necessarily the car people, but some businesses say if they don't get their reductions, they're going to form a tax revolt. Some 9,000 citizens in Scarborough have apparently formed a group that says if they don't get their reductions, they're going to have a tax revolt. How do you respond to that?

Mr Peterson: First of all, I was going to take you to task and draw your attention to the submissions that have been made to the committee and to the Premier by the Toronto Automobile Dealers' Association.

Mr Stockwell: I was here for that.

Mr Peterson: I don't think it is a fact that the automobile dealers in total are looking for gigantic reductions in their tax.

Mr Stockwell: No. Specific dealers, I said, who are getting reductions in their taxes because they've been overpaying for years. But that really wasn't the question. A significant number of people out there say, "If you don't give me my fair tax reduction, because I've been overpaying," for three and four decades, in some cases, there's going to be a tax revolt on the other side. So it seems like you're damned if you do and damned if you don't.

Mr Peterson: All of what we're saying here right now is very simplistic, and I understand that. The fact of the matter is that if people don't have jobs and there isn't employment, there's no money to pay anybody, and that's got to be productive employment. Are you suggesting that the people who have been living with these taxes—and I'm one of them. Personally, in my private dwelling, if market value assessment goes through, I'll have a reduction.

Mr Stockwell: No, I'm just speaking of the businesses, sir, the businesses I have phoning my offices in Etobicoke; businesses that have been overpaying in some cases for two and three decades; businesses, sir, that are getting reductions of upwards of $14,000 or $15,000 on a $31,000 assessment; businesses saying: "If you don't give me my fair tax, I'm not paying taxes any more. I'm going to revolt because I'm significantly overpaying compared to anybody else." What's your response to them?

Mr Peterson: I go back to my original point: We're all overtaxed. All of these businesses, the people who are phoning you, have reduced their staff. Have you reduced your staff, Mr Stockwell?

Mr Stockwell: Yes, I have.

Mr Peterson: And has the provincial government reduced its staff?

Mr Stockwell: You're not answering my question. You're asking me questions about my staff. My staff at my business? Yes, I've laid people off at my business as well. I know exactly what you're going through. I get my sorry butt out of bed at 6 every morning and go to work. I know exactly what you're going through. I had layoffs in the business I own, that happens to be in the car business as well. I know exactly what you're going through.

But my question, very specifically, is what do I say to these businesses that have been overpaying their taxes for two, three and four decades, in some cases adding up to $500,000, $600,000, $700,000 in overpayments, when they say, "I'm going to revolt if you don't start appropriating the fair amount of money to my business, because I've had to lay off staff and in some instances close the doors"?

Mr Peterson: That's what we're facing. What do you say to them? You say to them, "Let's get together and let's all stay alive."

Mr Stockwell: Find a fair system. That's what they've been saying for 42 years. They don't believe me any more.

Mr Grandmaître: You never had the guts to do it, Chris.

Mr Stockwell: Who?

Mr Peterson: Is this whole thing, Mr Stockwell—are taxes going to decrease?

Mr Stockwell: There are going to be no more tax dollars found. It's the same pie. It's just a pie and you're redistributing it differently. I'd like an answer. Nobody's giving me an answer. What do I tell these people: Wait another year or two years or five years when they think of a new system, or let's think of a new system that perpetuates the inequities? Is that what we're saying? What do I say to these people who lose their jobs, lose their business because they're paying too much in taxes, when you come here and say: "It's an open revolt. You don't drag your sorry butts out of bed until after 6"? What do I tell them? They drag their sorry butts out of bed every day of their lives.

Mr Peterson: That's right, and I hope there are some of them here who are going to make that proposal. They're the people who are going to answer some of this, Mr Stockwell. They're going to have to decide whether there is a business climate here at all. You know that has to be decided.

The Chair: Mr Peterson, thank you for coming in. I was almost going to say "for dragging your butt in here this afternoon." I appreciate it.

1640

TERRY MUDRY

The Chair: I believe Mr Terry Mudry is here, if he would be good enough to come forward. To the members, we're skipping ahead a bit, but Mr Mudry was here. I thought we could bring you forward, sir, and we welcome you to the committee. When you're ready, please go ahead.

Mr Terry Mudry: Thank you. I didn't expect to be just in time. My name is Terry Mudry. I live at 37 Blair Athol Crescent in Etobicoke. I also have a small business in North York at 59 Sheppard Avenue West. I'm a trained accountant, and I generally know the fundamentals and the technicals of taxation, but I'm not deeply into the calculations, so bear with me.

A lot of what I had in mind has been said a number of times—I've watched television—and there's no need for me to repeat what has been said, but I'd like to make a couple of points.

By way of illustration of the taxes, on my street everybody gets a decrease. I guess I'm one of the few who appears before you who's due for a decrease, of $600 per year. I'm not terribly impressed with that, because I don't think it can be sustained. The reason I don't think it will be sustained is because, of the houses on each side of me, the house that is worth at least $200,000 more and was actually traded in 1988 is going to pay about $1,000 less tax than the house on the other side of me. It's a complete aberration. I hear so many people coming forward and saying, "Who's done this? It looks terrible," and it does look terrible. I'm also aware that a gentleman by the name of Bradshaw from Etobicoke appeared before your committee, I think last week. A group of ratepayers got together

and checked these market values, and they were a complete aberration. It's just a terrible, terrible job.

I know that in the Kingsway area there are houses that are paying unduly low taxes right now, no question about it, but after revising it to this so-called market value, things don't improve a whole lot; in some instances, they're ass backwards. On my street all of our residents are getting decreases, which is all right to take, but you really need to be entitled to it. On the other hand, there's a street by the name of Brentcliffe Road—my good friend Mr Stockwell would know that street—and the houses on that street are what are called storey-and-a-half two-bedroom houses. They're all assessed at around $500,000, and that's nowhere near equity. The houses on our street are much larger. The houses on all streets around the Kingsway are much larger. It just doesn't fit to pay that kind of tax for small two-bedroom houses and to assess them at that value. They just don't have that value.

By way of illustration, my small financial services business at 59 Sheppard Avenue West is 500 square feet total. It's a little old house from 1940 vintage or something, and the tax is going to increase from $1,800 or $1,900 to $6,500. Guess what? That's exactly the rent I pay. Two doors further on is a little French restaurant, which is a very nice little restaurant. It's a one-person type of operation. He has 800 square feet and his present taxes are $3,000, going up to $15,000. That man works 60 or 70 hours a week. He has never brought home as much as a senior secretary from Metro council or from Queen's Park takes home, and this system wants another $12,000 out of his pocket. I say to you, you want another pound of his flesh? Gosh. He said to me, "If it happens, I'll give them the key," and I don't blame him. If I have to pay any more, I'm going to leave too. My small business does not even require the office that I have, so if I have to double my rent, forget it. I'm in arrears already because I can't collect on accounts. Those of you who are in business know something about that.

The question of fairness and the question of perception of what is fair and what is not fair—I've been listening on television to the performance of you members, some of you members, and I hear what I call bellyaching. What do I say to people who have been overpaying for 40 years? I saw Mayor Joyce Trimmer make a passionate plea. What am I going to say? These people have been overpaying and it's enough. We're going to be in revolt.

I say, by whose God, by what authority, are they overpaying? Who says that they're overpaying? Why are they overpaying? Does that mean because they're overpaying, somebody else has to get shafted? God, there must be a better way to make it more fair. But the perception is created by the very politicians who ran and said to their constituents, "Hey, this market value, you're entitled to decreases and I'm going to make sure you're going to get them," and now they're all up in arms because they feel they have been overpaying. Who has caused it all? It's the Metro councillors themselves. Having got the results, 72%, 80% are going to get decreases, and that of course is going to assure them of re-election.

I have been involved in our ratepayers' federation, which is a federation of associations, over a number of years and we had a position on this last October, and you've got that in the notes. Last October one of our associations said to us, "We will withdraw from EFRRA if you are going to oppose market value assessment, because most of us are entitled to decreases and we would like to have them." I can't blame them, but it was the politicians who really told them that they were entitled to them. Who else? The question of what calculation you use is not authoritative. Everybody doesn't have market value assessment, and in a city as volatile in the marketplace as this is, it is completely unfair.

Another illustration: I watched a councillor from the area up north of Highway 401 and east along Highway 404; I don't know her name. She compared a house that's valued at $300,000 in her area to a house that's valued at $300,000 at 138 Seaton Street. I don't know who lives at 138 Seaton Street, but I do know Seaton Street. I used to knock on doors for political reasons on Seaton Street and more recently I've been delivering food baskets to Seaton Street at Christmastime.

I suggest to you people that no matter what anybody says, that this house is $300,000 and that house is $300,000 and therefore they're equal, they are not equal. As to that house about which that councillor spoke, I would be willing to speculate that the people donate the clothes to the Salvation Army where the people from Seaton Street buy them or get them free. You are going to equalize them because they're both worth $300,000, so they both should pay the same taxes? Something's wrong with that.

I saw people from the Armour Heights area, the Dufferin area, and I remember those people were mostly from Little Italy, around midwest Toronto. They went up there for the good life: nice big driveways, Roman arches, air-conditioning, one kitchen upstairs, one kitchen downstairs. Heck, the people on Seaton Street can't even—

1650

The Chair: Mr Mudry, if I could ask you just to—

Mr Mudry: Sorry.

The Chair: No, it's quite all right. If you could just come to a conclusion, I'm afraid we're just about out of time and I want to allow you to finish your remarks.

Mr Mudry: I guess I'll just finish at that. I suppose if you politicians are worried about the perception of the public that politicians are sleazy, I guess I've tried to make that point. There is, after all, rationalization to make and this thing is really not fair. Thank you.

The Chair: Thank you very much for coming before the committee today. We appreciate it.

GEORGE TEICHMAN

The Chair: I call Mr George Teichman, if you'd be good enough to come forward. Thank you. We have a copy of the pages, I believe, that you wish to have distributed.

Mr George Teichman: Yes, thank you, Mr Chair. I forgot my reading glasses, so you might see me holding pages so far away that I can't read them even at that location.

The Chair: That's quite all right.

Mr Teichman: So I might take my glasses off at times and I might have a page up fairly close to me and I'll be squinting, looking a little strange, I'm afraid.

The Chair: Some of us have similar problems.

Mr Teichman: Try not to forget them. First of all, does everybody have a copy of the four sheets of paper? I'd like to say a few words before I address those four sheets of paper. I'd like to start off with a question regarding municipal services. I think it's important that we ask ourselves, "Do municipal services service people, do they service property or do they service location?"

"To serve and protect," that is what we see on the sides of police cars. Is this to serve and protect people or is it to serve and protect property or location? The same goes for water services, sewers, schools etc. Police probably serve people the most, but they certainly are interested in serving the property that we own, but to a much larger extent, I would think, than the servicing of people. Police really don't serve location.

Location, however, is nevertheless important. It's an important element in the delivering of services. For instance, wider lots that we see in the suburbs are usually more expensive to serve than the narrow lots we see in the city of Toronto. Low density is more expensive to serve than high density. The location of the houses in these suburbs have longer distances to extend these services.

This, however, flies in the face of fair market value assessment. I use the word "fair" in front of MVA because what we have done here is we have put two notions together, "fair market value" and "assessment." There is a sensible notion to the concept of fair market value. It is used in real estate all the time. Appraisers base their living on the basis of determining fair market value, and there certainly is a fair notion, a sensible notion, to the concept of fair assessment. I think what all of us really want is fair assessment, but to put these two phrases together and try to have people believe there is sense to the notion of fair market value assessment just doesn't make sense at all.

I think I would like to now refer to those four sheets in front of you to give some examples. I have others here with me as well, but I thought I could come up with two comparisons that show the great disparity between what is available in the outlying areas of the Metro area for the assessment dollar as compared to something in the centre of the city or closer to the downtown areas.

On the first page we have an address, 16 Elkwood Drive in Scarborough. There is a picture at the bottom left-hand corner; 16 Elkwood Drive has a 1988 market value assessment of $246,000. It is a detached house, has five bedrooms, three bathrooms, a finished basement, a double drive and double garage on a 50-foot lot.

Let us compare that with the second page: 214 Fairlawn Avenue has the same assessment of $246,000, and look what we get for $246,000 in the city. We get a semidetached house with three bedrooms and one bathroom. These three bedrooms are less than one half the bedroom area at 16 Elkwood, there is no driveway and there is no garage. The people are able to pay for street permit parking. The lot is 15 feet wide compared to the previous lot of 50 feet. Those two houses have the same assessment, and I ask you, which one is really being delivered more services?

The second comparison example, 41 Delbeatrice Crescent, is in Scarborough. The 1988 market value assessment is $282,000. Again, it's a detached house of 2,700 square feet. That is the information I was able to get from the multiple listing. It has a finished basement, four bedrooms, three bathrooms, a double drive, a double garage and is on a 60-foot-wide lot.

We have on the fourth page a house with a higher assessment than this one: 353 Deloraine Avenue is assessed at $292,000. This house is detached—yes, we can get a detached house—but it's quite small; it's only two bedrooms. It has two washrooms and it has approximately one half the bedroom area of the house in Scarborough at 41 Delbeatrice Crescent; it has a single driveway, it's very narrow and there's no garage.

1700

The Chair: I'm sorry to interrupt for just a second.

[Interruption]

The Chair: If I understood that message, we can continue. The Chair will let us all know when we have to evacuate, but it sounds as though there's a fire on the third floor, or at least an alarm. Please continue. Sorry about the interruption. It may happen again but we'll carry on.

Mr Teichman: No problem. Just a couple of more words on this address at 353 Deloraine. This house, a very small house, is on a 25-foot lot, as compared to the previous one, which is on a 60-foot lot.

It appears to me that there is no sense to this notion of trying to combine fair market value.

[Interruption]

The Chair: We shall continue to stand by. Go ahead.

Mr Teichman: Basically, I'm trying to make a connection that municipal services really do serve people to the greatest extent and property to a much smaller extent. Certainly location does have an impact on how expensive it is to deliver those services. In the city of Toronto, where the lots are smaller and the houses are smaller, it would be less expensive, not more expensive. However, most people I talk to, I believe, are willing to accept a compromise.

Instead of saying to the people in the suburbs, "You really should be paying more money for the same size of house as we people do in the city," I think it would make sense to go to the unit value assessment notion, that houses with the same-sized building and the same-sized lot should pay the same taxes. This would be a very easy method to monitor as well, because the records are with the municipalities, it is very easy to update, and there is no question. There won't be anybody going to a hearing and asking for a reduction in their taxes because it doesn't compare in value with the person next door.

The Chair: Thank you very much. I regret all the bells. I'm just worried that we're going to get a lot more bells shortly, so I'm afraid we're going to have to move on to our next presenter. Thank you.

Mr Stockwell: No questions?

The Chair: Sorry, we're about to head into some more bells, so I think we're going to have to keep moving or we simply won't complete our witnesses.

LAWRENCE PARK RATEPAYERS' ASSOCIATION

The Chair: I call the representative from the Lawrence Park Ratepayers' Association. We trust you'll be able to—

[Interruption]

The Chair: I shouldn't have said that. Just make yourself comfortable. As we stand by, perhaps you'd be good enough just to introduce yourself for Hansard and then please go ahead with your submission.

Mr Sandy McIntosh: Certainly. My name is Sandy McIntosh. I'm the past president of the Lawrence Park Ratepayers' Association. I'm currently a director and a very active member of its executive. I'll try to make this short and sweet just in case we do get interrupted, but I don't mind.

First, let me thank you very much for permitting ratepayers' associations such as ours to take your time and allow us to voice our opinions on such a serious matter as market value assessment. I am sure you have heard the same stories over and over again. I gather from the newspaper report this morning that you people are getting rather tired of the repetitiveness of the matter, so I'll try to touch on a couple of topics other than what you've been going through.

We in Lawrence Park feel that there are many different methods of taxing property other than market value. Some of them are a lot more palatable than market value, and these could be fairer to all areas of Metropolitan Toronto, whether it's Lawrence Park, Forest Hill or even Scarborough.

[Interruption]

The Chair: Hear, hear. It seems the danger has passed. The committee expresses its delight.

[Interruption]

Mr McIntosh: Does this happen on a regular basis?

The Chair: We try not to have this happen every day. I'm sorry, but it sounds as though we won't have to worry about that again, so please continue.

[Interruption]

Ms Poole: Mr Chairman, on a point of order: Is this because Legislative Assembly staff feel we politicians are so dense we need a message five times before it can be absorbed, or is there some other reason for this?

The Chair: No comment. Please go ahead.

Ms Swarbrick: It's good you were asking other politicians.

Mr McIntosh: I feel that market value will not work in Toronto, primarily due to the very nature of the definition of market value. Any economist, real estate broker or lawyer will be very quick to tell you that market value is the price at which a property trades when a purchaser and a vendor come together, neither being under any undue pressure.

[Interruption]

Mr McIntosh: One saving grace is that we don't get it in French as well, I guess. Not yet, anyway. It may come.

The Chair: Just wait. Merci beaucoup.

Mr McIntosh: I feel this definition of market value is very key to the situation. I wonder how a group of provincial assessors can determine the actual pinpoint market value of a property in a metropolitan area the size of Toronto and as complex as Toronto.

Our area of Lawrence Park, for example, which is relatively stable, the same size of houses, uniform areas throughout Lawrence Park compared to most other areas in Toronto, would be hit by an average increase of 71% under full market value. The changes range from a slight decrease in a few cases to increases of well over 100% on many of our homes. To me, this does not sound like fair market value or a fair property tax system.

Another reason I feel market value will not work in Toronto is that it will drive more and more businesses to the suburbs or even out of Ontario or out of the country. Investment properties in Metropolitan Toronto will become slum areas or even non-existent. With property taxes increasing so dramatically, I feel only the very wealthy or the very poor will be left living in the core of the city of Toronto. This is not what we as citizens of Toronto want to see happen.

What method of property taxation would work? George Teichman has already mentioned unit value. I'll get into that in a second. Currently, the Fair Tax Commission is meeting and due to make some recommendations very shortly. Our association in Lawrence Park has been closely involved with Michael Walker, Anne Johnston, Dianne Poole and others over the past several years battling market value assessment. We still very strongly support them in their opposition to its passing.

We feel unit assessment taxation is a method that deserves strong consideration as an alternative to market value. We are not against fair and equitable property taxes. What we are against is the unfair and unstable method of taxation that we feel market value will place Metropolitan Toronto under.

The unit assessment method of taxation, which is some combination of lot size and square footage of a home times some sort of mill rate to come up with a dollar value, would tax all properties equally, whether they are located in Scarborough, Etobicoke, Rosedale or Moore Park. This would really be a user tax for services, which is exactly what property taxes are supposed to be for.

The cost of operating such a system I feel would certainly be less expensive than a market value method. Appeals would be at a minimum, as there is virtually nothing to argue about. Right now, I would venture to guess that in Lawrence Park, probably at least 75% of home owners will end up appealing their tax increases if market value goes through. Think of what that cost is and the wastage of time it will create.

In conclusion, the Lawrence Park Ratepayers' Association definitely feels it is time for the property tax system in Metropolitan Toronto to be brought up to date. A new and

fairer system should be put in place, but not at the expense of the residents and the commercial property owners of the core part of the city of Toronto. A market value system of taxation could destroy the city of Toronto, and we could become ghostlike such as downtown Detroit or New York. We don't want our businesses and residents to move to the suburbs. We want to keep them in the downtown core, but it won't happen with market value.

The directors of our association and the residents of Lawrence Park are strongly opposed to market value, and we hope your committee will consider the consequences if Metro is allowed to put it into place even in its watered-down version. Once in place, we feel Metro would quickly see to it that full market value was achieved in order to maximize its tax dollar intake. Please, we're asking you to consider stopping this market value assessment and take a hard look at other, fairer property tax systems. I thank you very much for your time.

1710

The Chair: We have time for two questions.

Ms Poole: Sandy, thank you very much for your presentation today. I would like to make one clarification. It was printed in the newspaper that some committee members are tired of the repetitiveness. I think they were quoting the minister in that regard. There are a number of members on this committee who do not feel the presentations have been repetitive. In fact, each presentation has brought some new aspect or some new perspective on this particular plan. So I do appreciate your presentation.

Mr McIntosh: I thank you for that comment. It's heartening to hear that out of everything, a little something will come out, which makes us feel it's at least worth while coming down. Thank you.

Ms Poole: It certainly has been. I think all members of the committee will agree to the fact that we have had many excellent presentations.

One of the unfortunate byproducts of this whole debate has been an alienation between the city core and the suburbs. I think it's unfortunate and perhaps inevitable, because people in the city of Toronto feel we're fighting for the future of our city, and people in the suburbs have been told by the politicians, I think quite rightly, as one of our previous presenters pointed out, that they are overpaying. So we have this confrontational situation.

If we're looking for an alternative, you mentioned unit assessment, which is what was proposed by the city of Toronto and the city of North York. I would suspect a lot of people in the suburbs would have a problem with that particular method of reassessment, because they say it gives a clear advantage to the smaller properties within the city core that are actually worth much more.

What if we had an adaptation of that unit assessment? What if, as has been suggested I think by two presenters, you had a flat rate which every resident of Metro paid in property taxation, regardless of size of house, regardless of where it was located, regardless of the market value of that property? Then in addition to this flat rate, say $1,000 or $1,500, whatever it is, a unit assessment factor as well. In my opinion, this would ameliorate some of the disparities between the suburbs and the downtown core, yet I think it would protect the downtown core and those smaller houses that under market value would get severely hit. Do you think that kind of system would have any possibility?

Mr McIntosh: I think it could possibly work. Are you talking of a poll tax per property? In other words, a base tax and then an additional tax based on the size of the lot, the size of the house.

Ms Poole: That's right.

Mr McIntosh: I think some combination of that could work. I think it might be, as you say, a way of equalizing feelings for the suburbs end of the city. I just feel that if I want a tennis court and a swimming pool on my property, I have to have a large property and therefore I should expect to pay more taxes. That sort of feeling could be interpreted into this additional tax on top of the base tax.

Ms Swarbrick: Mr McIntosh, one thing that Ms Poole and I can definitely agree on is there have been some excellent presentations before this committee.

Mr McIntosh: Thank you.

Ms Swarbrick: How do you feel about the issue of ability to pay as a factor in whatever the property tax is?

Mr McIntosh: I think ability to pay is related to ability to buy. In other words, with market value I feel that we're getting into a location tax, into a wealth tax, into trying to tax people because they live in expensive houses, and we're getting away from the real meaning of property taxation.

You're getting into an income tax system as opposed to a property tax system, and I don't think ability to pay—you know, if I can't afford to live in the city of Toronto, I shouldn't be living there. If I can't afford to pay my fair share of taxes living in Toronto, I shouldn't be living in Toronto, because I won't be able to afford the housing in Toronto. But my taxes are going to be for the same services, whether I'm in Etobicoke or wherever I am. At least, I feel they should be.

Ms Swarbrick: How do you feel about the fact that property tax now pays for education?

Mr McIntosh: I would like to see education taken right out of property tax and be a separate entity. I don't know how it could be handled, but I think it's too large of a chunk and it just causes more of a problem in the distribution of the dollar from the city to Metro and Metro back to the city. It's another twist in the game, so to speak, of manipulating tax dollars, and I think it would be wise to get it out and it's straightforward what property taxes are payable for.

Ms Swarbrick: Do you feel in terms of education that ability to pay should be a consideration with regard to education?

Mr McIntosh: Yes, I do, because I think education is, quote, a matter of right for people in Metropolitan Toronto. They should be able to go to school whether they can pay for it 100% or pay for it 50% or whatever the situation is. I think that the system should be wealthy enough to allow every child in Toronto to go to school.

Ms Swarbrick: Are you saying that only people who can afford to live in the city of Toronto should live here?

Mr McIntosh: Not necessarily, no.

Ms Swarbrick: That actually is what you said a few minutes ago.

Mr McIntosh: Yes, well, I'm sorry, but I mean that if I can't afford to buy property in the city of Toronto, I shouldn't be living here. But there are a lot of people who are living here who right now could not afford to purchase their house at today's market prices.

Ms Swarbrick: Because the implications, of course, of your inference that only certain people should be able to live in Toronto based on being able to afford to leads one to argue that in fact then city of Toronto people should pay more in taxes.

Mr McIntosh: I think there is housing available for pretty well anybody in Toronto. You can buy houses in the city of Toronto for under $200,000, and with mortgage rates the way they are these days, I think they're affordable for anybody—not anybody, but pretty well anybody—who has a steady job and a steady income. So people can live in Toronto. It's a question of whether they need six bedrooms and a double-car garage. Then they probably will not be able to afford to live in Toronto, and they'll live in the suburbs.

Ms Swarbrick: Part of what I was trying to get at, of course, is it seems to me that whatever system we're talking about, whether it's unit assessment of size, times of mill rate or whether it's flat rate plus a unit assessment, if people believe in the issue of ability to pay as a consideration, then both of those two proposals would still end up being unfair at some level, because whatever the amount is then would not have any consideration to the ability to pay. That was why I was interested in your perspective.

Mr McIntosh: But do you believe that somebody who cannot afford to live in Toronto should be subsidized somehow to live in the city?

Ms Swarbrick: Well, see, I think part of the wrinkle that comes out of what you were saying is that if people end up buying out in the suburbs because they can't afford to live in the city of Toronto, and the lots in the suburbs happen to be bigger but they happen to be cheaper than the places in Toronto, then why should they end up paying a higher property tax when in fact they've gone to the suburbs for the very reason that they can't afford to live in the city of Toronto?

Mr McIntosh: I understand what you mean, but perhaps the answer is they shouldn't be living on a large lot if they can't afford it in the first place, whether it's in Toronto or in the suburbs.

Ms Swarbrick: But what I'm saying is, what if they can afford to live on the lot, on the property, and that's why they can afford to buy it, but you're saying they should end up paying—

Mr McIntosh: The same amount. I see what you mean, yes.

1720

The Chair: The parliamentary assistant had a comment, and then I'll recognize Ms Poole.

Mr Mills: I'd just like to set the record straight for the much- and often-quoted Globe and Mail. The minister never at any time said he was tired. He said that they're becoming somewhat repetitive. He never said he was tired. The reporter said he was tired. I can tell you, sir, that I have sat here now for over 60 hours listening to presentations, and I agree with the minister that they're repetitive but, to date, I have not tired of listening to you or anyone else. I just want to make that clear.

The Chair: And he's not tired either.

Mr McIntosh: I appreciate that.

The Chair: Ms Poole, and then we'll have to move on.

Ms Poole: I would be surprised the minister would feel he was tired that it was repetitive or he felt it was repetitive.

Mr Mills: He never said he was tired.

Mr McIntosh: I'm sorry I mentioned it. I just saw it at 4 o'clock this afternoon.

Mr Mills: Anybody who doesn't think this isn't repetitive is out to lunch. Good Lord, 60 hours.

The Chair: Some members may be tired and/or repetitive, but we're here and carrying on.

Mr McIntosh: This is the last day, I gather.

The Chair: We're not sure. Ms Poole, you had a short point?

Ms Poole: We're all tired, but we just disagree on whether it's repetitive. The minister was here for almost three hours of the 60, so I think he probably thought that was too much.

Mr Mills: I've been here 60.

Ms Poole: Anyway, Sandy, the point I think you were trying to make—and I don't know if Ms Swarbrick is here—the example I wanted to give you of ability to pay being equivalent to what you can afford to buy: In 1975, when my husband and I bought our home, we paid $62,500. He had just come out of law school and I was pregnant with our first child, and we had decided I was going to stay home for a few years, so we were strapped to the maximum to pay. We had a first, second and third mortgage on it, and it was really tough.

We're fortunate, because over the last number of years, both my husband's and my income has risen dramatically from what it was in 1975. Our house has risen in value. In 1988, a real estate person had said, "If you want to list this, we'd list it for $500,000." Our next-door neighbours spent six months in the last year trying to sell their house. They couldn't get $300,000 for it, and it's very similar.

But we're fortunate. A lot of the people in our area who bought, some have been there since the 1920s when the houses were built, but they've bought over the years and at the time they could afford it, but now if it's taxed on the market value, they simply can't afford it any more. The expectations have changed from the time when they first bought it.

I don't know if that's the thing that you were trying to explain, that it's what you buy it at at the time, whether you can afford it, that is the measure of your ability to pay, not necessarily what this new tax will impose on you.

Mr McIntosh: I tend to agree with you, because I think I would have a tough time buying my house in today's market, or in 1988 values. The point I would also like to add is that it points out that the volatile real estate market we have in Toronto does not go together with market value assessment; at least I feel it doesn't.

The Chair: Thank you very much for coming before the committee, and in particular thank you for ending the fire on the third floor.

Mr McIntosh: You're quite welcome.

JOHN KENT

The Chair: I call Mr John Kent, please, if you'd be good enough to come forward. Mr Kent, welcome to the committee. When you're settled, please go ahead.

Mr John Kent: Committee members, I speak as a long-time resident of the city of Toronto—in fact I was born in Toronto—and I am very definitely against market value assessment. I would just like to make a few points, not based on any expertise but with some knowledge and certainly a great deal of commitment to the city of Toronto, the quality of life.

I think market value assessment raises a number of specific problems, as well as general ones, to the Metro organization. First of all, I wonder how accurate the assessment that we have now is. For example, if a house sells at a higher price than the assessment that's been given it, does that mean that all other assessments in that neighbourhood should go up? I don't see how that can be rationalized.

Next, to my knowledge, market value assessment doesn't separate the value of the house and the value of the land. It might touch on what was just talked about: How does the system distinguish between land and house value? I'm a bit worried about the problem of home owners not being encouraged to improve their houses if that distinction between land and house value is not made clear.

I definitely believe that taxes should be based on services. I just make a couple of observations that I think have an impact on the tax, whatever the taxation system is. The services that we operate now certainly, it seems to me, unless I'm missing something, must cost more for a longer distance to travel. For example, if we take the water from the lake and take it up to the suburbs, it must cost more to go there, so it seems to me people should pay more, and similarly sewage being transported back must cost more.

People who live in the suburbs also use the city a great deal more than the city people use the suburbs, particularly roads—and not just the Metro-controlled roads, the main ones, but also residential roads on which they park as well, not to mention add to the pollution. So in effect the city subsidizes the people of the suburbs to use our roads.

Similarly, the city dwellers subsidize the TTC. It seems ridiculous to me that people who use the TTC for short distances, for example, in the city, pay the same as someone going from downtown to Finch. We used to have a different system. There was a double fare at Lawrence, I think it was.

One thing that concerns me is I think in all my experience in city issues, there's a fundamental imbalance in the organization of Metro government. I'm sure there are other things that I haven't thought about, but two issues come to mind. I know they seem unrelated, but they have to do with the taxation system ultimately. There's a different way of thinking and dealing with issues between people in the city and people of the suburbs.

The two issues that come to mind: One is the expressway issue that hopefully we've put to bed, although there's Leslie Street that's still in the air. We in the city fought very hard to stop the Spadina Expressway. If we hadn't, it would have gone through, and it seems to me it was basically, generally speaking, the suburban people wanted it to drive into the city for their convenience and city people did not because it would have had an enormous detrimental effect on the city.

The other issue is the Toronto Islands. I know they're owned by Metro—it's technically park land—but we see it as part of the city. Generally speaking, people of the suburbs wanted to tear the houses down and develop the area with condominiums and wave machines and all the other proposals that have been made over the years. The people of the city did not. We wanted to leave it as it is.

It seems to me those two are examples of the different kind of thinking and the fundamental imbalance in this city that we had to fight hard and fast to have those issues put to rest, and really they haven't been, because there is always this spectre arising that an issue comes up and because Metro council is dominated by people not of the city, many of these issues are voted against the interests of city dwellers. I don't know the complications of it, but it seems to me it might be in our best interests, the people of the city, to somehow disband Metro council. I know it might seem radical, but I don't see any fairness in the system.

Market value assessment is yet another example, it seems to me. With this going through, we will end up paying for our so-called higher-valued properties in this city, yet really, in effect, we subsidize the people of the suburbs in many other ways that are linked, either directly or indirectly, through other expenses.

I guess one other example comes to mind. That is the transfer payments for education. The fact that the city of Toronto, which is dying in education, transfers millions of dollars to the suburbs seems extraordinary to me.

The Chair: We have time for one question. Dr Frankford, do you have a question?

1730

Mr Frankford: I think you really raised too many questions to—let me, as a Scarborough member, just throw out a challenge. You suggested that maybe Metro shouldn't exist. Obviously, even if there was a move to separation, this would not be an easy matter. One would have to think of separation of police and many other services. Let me point out that this is an interim proposal to moving things in the direction of fairness. I don't think anyone is suggesting that this is the final proposal.

Mr Kent: I'm afraid, and I think most people are, that once a tax is in place, it's there for ever, and taxes never go down. The system in itself, the whole procedure for taxation, is unfair. I agree with the last speaker also, that education shouldn't come from taxes. It just increases the inequality.

The Chair: Mr Grandmaître, I'm sorry I missed you; please go ahead.

Mr Grandmaître: You brought up a very interesting subject, the Toronto Islands. Only three weeks ago we passed legislation permitting these people to lease their land for 99 years for $36,000—that's $30 a month, quite a lease—and we're on the verge of passing legislation that will double and sometimes triple the property taxes. How can the same government introduce such legislation as Bill 94 and at the same time pass legislation to provide this gift to the Toronto islanders? What are your comments?

Mr Kent: I'm not sure how that figure was arrived at, so I can't really comment. I'm not informed enough about the islands. It could be that that should be rethought, I don't know. But my point about the islands really was one of thinking, of attitude, that the island houses should stay there, and that's something that city people believe in.

Mr Grandmaître: I'm not talking about moving them. I'm talking about their 99-year lease. They're set for life at $30 a month, yet we're asking other people in the rest of Toronto and in Metro to please accept a 30%, 40% and 50% tax increase through MVA.

Mr Kent: This could be a problem, but I guess the government, in its wisdom, decided that's a fair price.

Mr Grandmaître: Thank you.

The Chair: Thank you very much, Mr Kent, for coming before the committee.

HEATHER DE VEBER

The Chair: I call Ms Heather De Veber. While you're coming to the table, I'll say to members that we are now passing out the summary of recommendations that cover the period from November 30 to the morning of December 7, inclusive; all members should have that. That replaces the previous document you received.

Welcome to the committee. Please introduce yourself for Hansard.

Ms Heather De Veber: My name is Heather De Veber. I live in the city of Toronto, and I'm here to plead for myself and for the city. I speak as a resident of a street. I've been in a house for 21 years. I love the city very much and have been active in my community and so on to protect the neighbourhood, to protect against land developers, expressways and so on over the last 20-odd years.

I feel that the city is a diversity of people and neighbourhoods. What happens with market value assessment, which I'm against, is that it kills the diversity and the texture of the city. First of all, it means that someone like myself, as a single parent—I have fought very hard to keep my house over the last 20 years. I also have a business, in that virtually anything that doesn't move in the house I rent out to students or other tenants. What this tax increase means is that it is possible I'll be forced to sell the house. The tenants, whether they are legally bound to accept a 6% increase a year or 4%, whatever the rate is set at, simply are not paying it. They say, "I like living here very much, but I can get a better place somewhere else." I said, "I'm sorry to hear that. I hope you'll stay," and they did in fact stay. So there's no way I will possibly be able to get any of this tax increase from my tenants.

I don't want to move. My taxes right now are $4,500 a year. It would mean close to $9,000 a year for me in taxes. It's ridiculous, and I really resent being discriminated against by people with monster, huge, large properties out in the suburbs gleefully thinking that they are now getting fair taxation if this market value business goes through.

The phasing in is—dare I say—a bit of a scam. I don't think for one minute that 5% this year, 10% next year, is going to make any difference to me. If I have to sell the house, which as I say I don't want to, the price immediately locks in the full taxation. I will not be able to sell my house as I would perhaps in another—the market's bad anyway. Having to sell it as soon as I would have to if this tax thing goes through is very upsetting to me.

I've seen what's happened on the street. Some people have moved out. Who is moving in? People with lots of cash from outside the city. I've lived there for 21 years and I don't want to move and I see no reason to. If this tax assessment business goes through, whether it's piecemeal, slow death or whatever, it is simply not fair.

I believe that yes, there has to be a change in the taxation at some point, but I'd like it to be urban-neutral. I'd like it to be based on the size of the property. I have a 45-foot frontage—45 feet, three and half inches, to be specific—and I don't think that's a monster, huge property.

I'm delighted that the city was able to subsidize our composting boxes. That's great. Why are we still getting two pickups of garbage a week, I'd like to know? That is one cost, a very small one perhaps. I don't know the ins and outs of the way the city has to make the money or Metro does.

However, I repeat that I plead for myself and the city. I don't want the downtown core of the city to be filled with fat cat businessmen, which is what's happening on our street. People in the money market—hard to believe—are making enough money to move downtown from outside the city. People from outside the country, in fact, are moving in. I don't want to have to move because of that. There are people in my neighbourhood who are senior citizens, who have lived there for even longer than I have, and I see no reason why they should be forced out, nor do I want to be forced out.

I beg of you, please consider a visible means of taxation so that we look at the size of the lot, something we can see. I don't understand basing things on market value. Of course, the 1988 or whatever it is is immensely high value; certainly nowhere near what my house is worth. Thank you.

The Chair: Thank you very much. Time for a question, Mr Wiseman. I just say that the bells may start ringing to call us to the House for a vote, but we'll hope that won't happen until the question is over.

Mr Wiseman: Where did you say your house was? How much tax did you say you pay now and what would they go up to?

Ms De Veber: My house is on Rowanwood Avenue. It's one block north of Roxborough Street one block east of Yonge Street. My house is one block east of Yonge. Rowanwood runs into Yonge Street; the street is two blocks long.

Mr Wiseman: And your tax currently?

Ms De Veber: It's $4,500.

Mr Wiseman: And how much would they go up to?

Ms De Veber: To $8,800.

Mr Wiseman: That's with full market value, not with this plan.

Ms De Veber: Well, full market value will eventually come in, sir. I don't know what this plan is. This plan is just 5% here, whatever. I do not make an increase of 5% on my salary at work a year.

The Chair: Thank you very much for coming before the committee and making your presentation.

There is one witness who was scheduled before 6, but given that we are going to be called for a vote, we will try to reschedule that witness either for this evening or for tomorrow afternoon. The committee will reconvene here at 7 o'clock this evening. The committee is adjourned until 7 o'clock.

The committee recessed at 1740.

EVENING SITTING

The committee resumed at 1905.

The Chair: I'd like to call the meeting of the standing committee on social development to order. We are meeting to review Bill 94, the Metropolitan Toronto Reassessment Statute Law Amendment Act, 1992.

LUCILLE GILES

The Chair: Our first witness tonight is Ms Lucille Giles, if she would be good enough to come forward. Welcome to the committee, Ms Giles. Please have a seat. Help yourself to some water. There may be the sound of carols in the background this evening. We hope that spirit of harmony will guide us in our deliberations, not only tonight but over the next while. We welcome you to the committee and please go ahead.

Mrs Lucille Giles: Thank you, Mr Chairman and members of the committee. I hope you can hear me.

The Chair: Yes, we can.

Mrs Giles: My name is Lucy Giles. I live in the city, and I understand that my taxes are going to increase. My member at Queen's Park has resigned and I'm therefore not represented.

I wonder if this is not the time to assess whether the city should be part of Metro, as Metro is calling the tune. When Metro was formed, and this shows my age, it was only as an experiment which was to be reviewed. Metro has now grown so large and can rule the city. Perhaps what we need is a smaller government, more efficient in meeting the needs of the people. The city collects the taxes for Metro, but the city is the one that gets the anger with this increase.

We are paying for a Fair Tax Commission to report soon. Why don't you consider their report? Isn't it irresponsible not to wait for their report?

Market value assessment is not a new idea. We have assessment now which is based on the market value of a former era. The big push to have a market value based on a more recent year is no doubt because the suburbs have not suffered such great price increases in the recent inflationary boom.

Our system has for years accepted municipal taxation based on the amount of property owned rather than the amount of services consumed. A tax based on the cost to rebuild, less depreciation, plus an amount per square foot of lot, using the same figures throughout the whole taxed area, would be in keeping with our history. Assessing suburban property owners more because they use more roads, sewers, water and TTC services has not in the past been part of our system. If, however, a new system is to be introduced whereby the suburbs are to benefit from taxing city properties on the basis of their location, then suburban properties should also be taxed because of their location.

One of the features which adds to the value of a city property is its location near the centre, but the city property owner has subsidized the building of the services to the suburbs. The province and city taxpayers subsidize the TTC so that people living in the suburbs can travel downtown at a great deal less than cost. The suburbs pay no more for services provided by all the taxpayers, yet because they are further from the centre, the services cost more. If people are to be taxed for the location in which they live, for example, living nearer to downtown, then people who live farther out should no longer be subsidized for TTC and other services.

It is to be remembered that while city properties in 1988 did, and many no doubt still do, sell for more than suburban properties, the city properties require fewer roads, sidewalks, watermains or sewers than similar-sized properties in the suburbs.

Increasing business taxes by the tremendous amounts promised by Metro will have serious effects on existing businesses and will discourage new business and industry in the city where a large portion of the unemployed now reside. I hope that in reaching your conclusions on this proposed tax, you will not drive business and industry out of the city or break up downtown neighbourhoods by rendering our residential areas too expensive to live in.

The Chair: Thank you very much for coming and for your presentation. We appreciate it.

1910

WILLIAM GALLOS

The Chair: May I call Mr William Gallos. Mr Gallos, perhaps you would be good enough just to sit in one of the middle chairs. Thank you; it's just easier for the television cameras, I'm told.

Mr William Gallos: My name is William Gallos and I live at 1982 Queen Street East, which is located in the Beaches. I own two businesses there. One is a hairstyling business, which I've operated for the last 27 years, and in the last three years I opened a restaurant called the Seventh Wave, which is right next door to my hairstyling salon. I'm also representing the business association in the area tonight.

I'd like to speak to you tonight about the concerns with the MVA that face us as business people. I've been watching native Torontonians leaving the city in the last 15 or 20 years, the exodus, one after the other leaving the city. The question I asked them was, "Why are you leaving the city?" The answer was always, "We're trying to get away from the downtown." Most of them were saying: "Ghetto. We're going to the suburban areas. There's a better life there." These people never complained about taxes before. They just wanted to leave the city for a better life.

We've watched the sprawling of the suburban areas growing from the lake to Barrie and now from Oakville almost to Peterborough. This sprawling has, first of all, brought about an enormous amount of environmental issues. This idea of reassessing the city has brought a tremendous amount of pressure on us business people. I for one find myself today, after 30 years of hard work, unable to pay my mortgage because of lack of business.

I think that at this time to ask us to find more money, more taxes, is just not proper. We've continuously watched business leaving Toronto. It would definitely put me and

many others in the area out of business. I'm asking you tonight to use your good judgement and say no to the MVA.

The Chair: There is one question from Mr Owens.

Mr Owens: I want to thank you for appearing here tonight. In terms of your area of the Beaches, it's probably one of the areas, in terms of real estate volatility, that has been hit quite substantially. I know that when my wife and I were looking to buy our second house, we would have loved to move to the Beaches, but due to price considerations, it just was impossible.

If the government were to accept this particular market value plan, what kinds of protections would you want to see, on top of what the minister has already requested, by placement in the bill for businesses like yours, as well as home owners in the Beaches area? What kind of additional protections would you need to see to ensure that your business had a reasonable chance of survivability?

Mr Gallos: First of all, I think that number one is not to increase the taxes at all. If possible, the city should increase density and provide incentives for people to come to the area. In the summertime, yes, we have a large influx of people who come to the area, but in the winter months it's bleak and there's hardly any business at all.

There's an enormous amount of space wasted and so I think the city can allow its density to go up so that more people can come into the area or, for instance, development can increase. It shouldn't be unthinkable to allow five- or six-storey buildings, so therefore you can increase the density so more people will come to the area, and more taxes will be paid to the city and so on and it will stop this sprawling. I would say, to answer your question, no increase in any taxes, and perhaps assist us, small business, somewhat, if possible—for once, we need it—and increase density so it brings some incentives so that people can move into the area. Instead of seeing empty stores, we see more density in the population so that we can do business.

Mr Owens: I represent a Scarborough riding and many of the businesses in my riding and many of the residents are looking at a tax decrease. If we follow through with this piece of legislation in its current form, I have a problem in terms of how I go back to those people I'm elected to represent and say, "Sorry, I'm not in favour of your particular decrease." What would you advise me to tell my constituents?

Mr Gallos: I didn't hear you very well. Could you repeat—

Mr Owens: Can I have this mike turned up? We've had problems with this mike all week. Just in terms of the people who I represent, the businesses, somewhere in the neighbourhood of 50% of the businesses in my riding are looking at a decrease and a lot of them are small businesses, like yourself.

Mr Gallos: Right.

Mr Owens: They're concerned that they're already paying too much tax and they want the decrease that may be afforded to them with this piece of legislation. I guess my question is, to a person like yourself, how should I go back to my constituents and say, "Well, we're not going to give you the decrease?"

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Mr Gallos: I really don't know how to answer your question properly. I wish I had the answer for that. It would be a very tough question to answer, this question as to who should get a decrease, and whether the people in your area should not get a decrease. However, I think that the people who lived in the area—first of all, they already knew what they were going to be paying and their taxes are not going up as much as our taxes are going up.

There is a difference between what we pay at the present time. You're asking us to pay double, triple or sometimes five or six times. We cannot sustain that kind of an increase.

Mr Owens: If you had one wish tonight, your wish would be that we would send this plan back to the Metropolitan Toronto council and ask it to rework it; that's if we could grant one wish to you tonight.

Mr Gallos: No, if I had a wish tonight, I think this government should put an end to the MVA, period.

The Chair: Thank you, Mr Gallos. I think that's a clear wish at the end of your submission. Thank you for coming.

TERRY MARESCAUX

The Chair: If I might then call Terry Marescaux, welcome to the committee, Mr Marescaux. Please go ahead once you're settled.

Mr Terry Marescaux: I appear here tonight. I think I'm a little nervous, not because I'm so nervous about presenting, but presenting on such short notice. I received word only today that I would be given this opportunity. Nevertheless, I am very happy I have the opportunity and I'll make the best use of it that I can.

I really feel that what concerns me the most is not so much what I've heard so far as what I haven't heard. This is a very major change the city is proposing and it seems we are in effect trying to change the superstructure of a very large building without going back and re-examining the foundations.

To date, many people have spoken very emotionally about how the suburbs are paying more than their fair share of property taxes. This, of course, they base on the market value assessment. Others feel that perhaps Torontonians can't afford to pay more. Most of the arguments so far seem to revolve around these questions. I think they are valid questions, but if we're really going to make major changes with long-term implications for the city, I think we should really be looking at the foundation.

Some of the questions that come to me are things like: If land values in Toronto are higher, should property taxes automatically be higher? If this is so, this would automatically increase the cost of almost all goods and services in the city; for instance, the rents paid for by welfare recipients. I have a small house. I rent out several small units in that house. If this tax is implemented, I will have no choice; I will have to increase the rents whether my tenants can afford to pay them or not. So there will be an immediate

pressure to increase welfare payments to those people because they won't be able to afford the higher rents.

Of course, when they go to the corner store, or I go to the corner store, again the small retail owner is going to have been paying higher taxes and if he can't afford it, he will attempt to pass it on to me, the consumer. But many of those small businesses that are just around the corner from me I'm sure won't survive.

If I look at used tool rental service and other small businesses like that which operate on very small margins, I can't imagine how they are going to absorb these tax increases. I really can't. So I think there's a very fundamental question right at the outset. If land values are higher in the city, does that mean everybody in the city should pay higher property taxes and higher prices for the goods and services available in the city?

I guess another question that begs is whether there is any relationship between the taxes we pay in one municipality and the cost of services in that municipality. In other words, if residents of Toronto and taxpayers in Toronto are going to be asked to pay more taxes, are we going to get more services? Is there any relationship between the taxes we pay and the services we receive? I think many people are questioning that kind of relationship at all levels now, not just at the municipal level.

Of course, just hearing that I was going to speak today, I haven't had time to research, but I have heard that already in terms of taxes collected in the city of Toronto, there is a net transfer of education taxes to the suburbs. If we're looking for fairness, is that fair to the city? I'm not asking you to jump to immediate conclusions on these questions, but what I am looking for is at least some careful consideration of these questions. I have heard almost nothing about these things up to now and I'm very concerned about that.

I think there's also a question of accountability involved in this tax system. I don't mind my taxes going up if the politicians that I voted in, or that I at least had an opportunity to vote for, feel it's necessary to raise taxes to pay for the services that we use and so on. But in this case, it's the politicians I don't have any chance of voting for or against who have in fact imposed their wishes on the city of Toronto. It's the suburban politicians who voted for this change. The city politicians voted against it. Where is the accountability there? I can't do anything about it. I can't turf out the fellows who voted for this at the next election. It seems to me there's a fundamental problem there. There's taxation without representation.

Some of the arguments that have been put forward for market value assessment seem to me at best a little bit of wishful thinking. One of the things I have heard is that under the present system, it's so inequitable that many people appeal their taxes, and it's really tying up the system and they're very often successful. I think it's really wishful thinking if someone was to put forward the idea that these changes will end that legal wrangling.

For instance, on a row house that I own on Bathurst Street—and I remind you that this is a row house—I was told that a property that I recently paid $212,000 for is now assessed at, based on 1988 market value, supposedly, $370,000. I question how they ever arrived at this figure, because everything I've followed in the real estate market suggests that prices have not changed that significantly, so I definitely will be looking into avenues of appeal, and I'm sure I'm not alone. There will be so many appeals under this new system that I am sure the system will be quickly overwhelmed.

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The Chair: Excuse me, Mr Marescaux. Sorry, but if you could start to wrap up here, that would be fine.

Mr Marescaux: I'm just about to do that. The one last thing I am concerned about is the lack of discussion of alternatives to this system and other recommendations. I have heard a couple of things, although there hasn't been a great deal of discussion about them. One is, as was mentioned earlier tonight, a tax on the basis of square footage. It seems to me that would be more equitable, or perhaps on the basis of services consumed.

In any case, I hope this committee will recommend to Toronto that before it implements, in great haste, this new system, at least it go back and look at the policies and assumptions that underlie it and really think very hard about the long-term implications of making it more expensive to live in downtown Toronto.

The Chair: Thank you very much. We appreciate your coming this evening at late notice.

TANNY WELLS

The Chair: I call Ms Tanny Wells, please, if you would be good enough to come forward. Welcome to the committee. I believe we have a copy of your submission. It's being handed out. Please go ahead.

Mrs Tanny Wells: I appear before you tonight as one who cares very much for the city of Toronto. I was part of a delegation from the South Rosedale Ratepayers' Association last week, but I was also given this opportunity to come back and I'm very pleased I could do that. I wasn't going to till yesterday, and then reading the paper this morning, but I'm here.

As well as my involvement with the ratepayers, I'm a real estate agent, and at this moment I feel as though I've been in the eye of a hurricane. I'm sure you do too. My neighbours and clients keep phoning me to find out what's going on with MVA. I've been through most of the Metro hearings and several of these sessions here and I've been out on picket lines, handing out flyers in the neighbourhood and all those things an involved citizen does when you're really concerned about an issue.

I'm here to make one more pitch to you, because this level of government seems to be the last resort. As one of the speakers before me said, I live in an area where we don't have an MPP. We're unrepresented at the moment.

I'll be brief, because I understand that the minister feels the briefs are repetitive and that he wants the bill passed on Thursday. Repetitive maybe, but maybe that's because people do not believe that they're being heard. I sometimes get the feeling that the lights are on, but is everyone home? I feel it's the height of arrogance that one of you, at least, felt that it was appropriate to sign your

Christmas cards during yesterday's hearings. To run the hearings through the weekend and say it's too much to expect to have members of this committee present and alert is to trivialize the procedure and insult the many citizens who made great efforts to appear before you.

One of the government members to whom I spoke in the corridor yesterday said, "Well, we wouldn't have had to have these hearings if the PCs hadn't insisted on them," and words to the effect that he felt you're all just going through the motions, ie, hearing us but not listening to what we're saying. When I asked him why he was even sitting on the committee, he said: "It's a good question. Maybe I'm in a conflict of interest." That's an interesting thought, and not one I'm going to pursue at this time.

I'm here to tell you, though, that out there somewhere where the common folk live who work, pay taxes and vote, there is confusion and misunderstanding, not to mention anger, over this issue. There have been so many permutations and combinations of this plan bandied about and the rhetoric is so confused that people really do not understand. Politicians who should know better are polarizing this community when they should be trying to unite it.

So we have a situation where many of the people in the suburbs truly believe the people of the city are ripping them off. They want the decreases which they have been told they deserve. Those same decreases have been cut back, so they are now going to feel shortchanged. If they get the 50% and 40% solution—which they will get, apparently—they're still going to feel hard done by.

People in the city, on the other hand, are feeling threatened, because so many businesses are hanging on for dear life, and the tax increases they will have to bear will push them over the edge.

Coupled with this has been the difficulty in getting accurate information regarding new assessment amounts. Many people who don't quite know the right questions to ask have been given erroneous information by people at the tax information and assessment offices, when they can get through.

You have heard many times, I know, how flawed and therefore unfair the assessment process has been. In fact, it's still not complete. When I called the assessment office last week, when we were preparing our brief for the ratepayers, I was told that some of the information for Rosedale and Forest Hill was being looked at again and we wouldn't know what the results were till the notices were sent out in March.

The issue of point-of-sale increases is unclear, to me at least. The minister has said he does not want this in the bill, but is it not true that Metro can pass a separate bylaw putting the increases back in? If Metro does that, will the provincial government allow it to stand or will it be disallowed?

My professional training has taught me that we should always try to negotiate to a win-win situation. Ladies and gentlemen, if this deal goes through, it will be lose-lose. Even a win-lose outcome would be bad enough, but a lose-lose would surely be disaster.

You have it in your power to change this course of action, and you're the only body that can do that. Please listen hard to what is being said. Replay the tapes if necessary.

You have another course of action open to you: You could put it on hold for a year, commission impact studies and at least consult the findings of the Fair Tax Commission.

We the taxpayers are really angry, and when common sense falls prey to political expediency and laziness, watch out for the results. In my experience, I have never witnessed such anger among the electorate.

You have been asked over and over to get rid of an unfair taxation system. How in the name of fairness can you replace it with one that is just as unfair and potentially devastating to so many of our citizens? Please find the wisdom and the compassion to seek a solution which will address the needs of the whole community.

The Chair: Thank you very much. Mr Wiseman, Ms Poole and Mr Turnbull, could we just have a short question?

Mr Wiseman: I have a quick question for you. From my position here, and I've sat through about half of the hearings, it looks like the genie is out of the bottle and you can't put it back. There is no win-win situation, no matter what you do in this, because the suburbs are not going to feel they're represented if this thing goes into the dumper and the city isn't going to feel like it is being represented if it doesn't, so there really is no way to win.

Do you feel, if we were to do some of the suggestions—for example, one said a flat rate across the board to every house or every unit and then an increase on top. They were talking in the neighbourhood of $1,000 to $2,000. There are houses in downtown Toronto paying under $300 in taxes. If their taxes go up, do you think they're going to feel that's fair, even though across the board it could be fair?

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Mrs Wells: If it was worked out on a situation like that, perhaps. I don't know which houses are paying $300 tax, unless they've got UFFI or they're frame houses or there's some problem with them like that.

Mr Wiseman: Or they were frozen after First World War veterans.

Mrs Wells: There are anomalies like that in the system. I certainly am not here to say that the system we have right now is fair. I don't believe it is. But I do believe that Canadians are basically a fairminded people. If we can have a system that's fair, then that's okay. But what we seem to be getting now is this terrible going at each other: "You've got what I need, and I've got what you want." I think everybody understands that there's a problem that's very evident, but I believe there has to be another solution to this. I just don't believe the one you're looking at is the only way. If you thought it was the only way, why did somebody appoint a Fair Tax Commission?

Ms Poole: Thank you very much for your presentation today. You've pointed out that there is a lot of confusion around the point-of-sale provision. I'd like to set the record straight here about why there is confusion.

In Metro's plan, it said that at the point of sale a residence would go to full market value. That was part of their plan. When it came to the provincial government, the minister said three things. He said that this plan was not full

market value assessment; second, if it was full market value assessment, that the government wouldn't pass it because it thought full market value would be devastating to the city of Toronto; and third, that they were going to put in a provision to help protect the city of Toronto about the point-of-sale provision.

What they did was put a provision in the legislation that says Metro has to pass a bylaw in order to put on full market value at the point of sale. But the problem is that Metro has already voted on this three times, and three times they have said yes, they want houses to go.

Mrs Wells: That's my point.

Ms Poole: Exactly.

Mrs Wells: Can anybody take any solace in this? Someone was speaking yesterday, and a member of the government followed him out and said that provision is not in there. I'm not comfortable with the fact that if Metro passes it again, the minister will do anything about it.

Ms Poole: I think it would be impossible for the minister to do anything about it at that stage, if Metro passed it as a bylaw.

Mrs Wells: I think Metro intends to pass it again, don't you?

Ms Poole: That's the concern.

Mr Turnbull: Tanny, thank you very much. I know you've followed these hearings very attentively. If I could just sum up, it's quite apparent that the NDP have staffed their committee with people from the suburbs, and they're saying: "My people have been paying too much for years. They've been ripped off." We hear these expressions over and over again.

Interjection.

Mr Turnbull: I'm talking about the people from Metropolitan Toronto. That's predicated on the assumption that market value is a fair system. There's the problem. We have to convince them that they're injuring their own best interests as well as the people from the inner core.

But could you, as a qualified real estate agent, talk about the impact of the point-of-sale provision, if it's passed, and also elaborate on your reference to the fact that the assessment is not complete and will not be complete until the March notices?

Mrs Wells: I just found that out last week. I thought the assessments were complete, but obviously they aren't, which means that a lot of people have no idea what this bill is going to mean to them. They have no way of knowing until it's March and it's done.

On the point of sale, I know a lot of people out there are really on the edge. They've lost their jobs. They've been living off the equity in their houses, in many cases. This potentially could take 10% to 15% of the equity in their houses away from them.

Mr Turnbull: Just to clarify that, given the fact that they've already had a reduction in the value of the houses since 1988, could this wipe out their equity in many cases?

Mrs Wells: Yes, because a lot of people, if they bought at the height of the market, were buying with not very much down. What I think we tend to forget about what's happened in the suburbs as opposed to what's happening in the city is that when you want to buy a house and you go to the bank, the bank looks at what you own, what you're making, and what you owe. The figures they're using are principal, interest and taxes on the mortgage, and that tax figure is very important. If the tax figure suddenly doubles, it cuts their buying power down, so there are people who are in distress. Sure, there are people who are going to lose their equity.

The Acting Chair (Mr Stephen Owens): Ms Wells, I'd like to thank you for appearing before the committee again this evening. I'll undertake to ensure that your presentation is passed to the appropriate members you mentioned in your presentation. On behalf of the committee, I'd like to apologize for the treatment you received. As I say, I'll make sure your presentation is passed on.

Mrs Wells: I would just like to say that it wasn't treatment I've received; everybody's always been very kind to me. But I was watching what was going on over the weekend and also reading the Globe and Mail this morning.

The Acting Chair: Your observations have been noted.

ELLIOT TITLE

The Acting Chair: I call Elliot Title. Good evening, Mr Title. I'd like to welcome you to the committee. If you could state your name for Hansard, let your presentation begin.

Mr Elliot Title: My name is Elliot Title. I'd like to thank the committee for seeing me. I was led to understand that the hearings were going to terminate yesterday. Thank you again for seeing us on Monday.

I represent nine properties in the downtown community. They're located around the perimeter of the downtown core, basically at King and Bathurst streets and Front and Sherbourne streets. We've been advised that these properties have been reassessed upwards to 2,600% increase. The average increase of assessment on these properties is 450%. Not only is the realty tax going to escalate dramatically but the business tax payable by our clients is going to escalate as well.

Our clients, 60 in number, employ approximately 400 people who live basically in the municipalities of Scarborough, Mississauga and Etobicoke. Very few of them actually live in the city of Toronto. These people are employed in the garment manufacturing industry, the printing industry, in the graphic arts, creative arts, transportation and distribution businesses. Our clients are presently calling us to ask us the ramifications of these increases on their businesses. When I tell them of the effects, they basically all advise me that the combination of increased realty tax and business tax will not allow them to stay in business or, least of all, stay in the city of Toronto.

If our clients do not stay in business, we will have increased vacancy factors in our space and we will not be able to pay our realty tax nor keep up the buildings the way we have done throughout the last 20 to 30 years that we have owned them. The properties will fall into the hands of the city and become boarded up like many other

city properties we see. We all know what effect this will have on the economic climate of our city.

The system of imposing these new assessments upon us seems not to be fair nor equitable. The methodology is not sound, based on our own experience. We're not thieves or criminals. We've built these buildings from what they were 30 years. Some of them were brake shoe manufacturing facilities. We are law-abiding business people who will be forced to fight these new assessments in the courts. Where will we get the funds to go through these procedures? In this situation, we are the victims. Perhaps Metro Toronto, which passed this initially, or the province should fund these costs in this process, because we certainly cannot afford to.

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I'd like to give you some examples of why I think the methodology of these new assessments is incorrect. One of them is 197 Front Street East, which we bought in 1987. We paid $3.4 million for a 30,000-foot building. We bought it through a third party. In 1988, they assessed this property at $17.231 million. The taxes are going to go from $85,000 in 1992 to $370,000. Our client, who occupies this building, employs 150 people. He will not stay in business. At 663 King Street, the taxes are presently $40,000. The taxes are going to be $100,000, an increase of 150%.

Our clients cannot afford these increases, nor can we as landlords. These people are going to close, basically. If they can afford to relocate, they will. If our clients close their businesses, we will not have tenants. We will not be able to pay the taxes. It's a steamrolling type of effect.

Here's another one, Niagara Street: It's a little empty lot east of Bathurst Street. The site is 9,400 square feet. We lease this to a garage next door that uses it to park vehicles; they're in the tire business. The present taxes are $2,200 per annum. The new taxes are going to be $62,000. We receive $12,000 a year gross income. That one's the highest one we have, a 2,664% increase.

Another one, on the corner of Adelaide and Charlotte Street, 6,000 square feet, which we lease to a parking lot operator: The present taxes are $5,200. Under the new program they're going to be $37,000. Gentlemen, we receive $15,000 a year, and we pay the present taxes.

The last two properties I've just mentioned cannot be developed on their own because they're too small a floor plate to even build anything on. As I said previously, I don't know where the assessment department, or whoever the assessors are, received the information or what they used. It's all wrong. Something is very, very wrong.

Another one we have—I'm picking the highlights. Some I have are only 20%, but I'm picking the ones that are significant. At 128 Pears Avenue, a single-occupant building, the present taxes are $13,300. We have changed tenancies there five times in the last five years because the tenants cannot sustain their business. The taxes are now going to be $28,000, 5,000 feet, a single-occupant building.

In summing up, I pray that you in your wisdom do not create the downtown ghettos that have risen in some of the major cities—and this is what I'm afraid of—namely, the Bronx in New York, the east side of Philadelphia, downtown Detroit and the south side of Chicago. By your actions, ladies and gentlemen, we could lose what we enjoy here in the city of Toronto. Once we lose it, we'll not get it back.

If you have any questions, I'd be more than happy to answer.

The Chair: Thank you, Mr Title. We have time for one question.

Ms Poole: Mr Title, thank you very much for your presentation. The minister was here until a couple of minutes ago, and I wish he was here to hear what you just said.

Mr Title: If he comes back in, I'd be happy to repeat it.

Ms Poole: Actually, if you have written comments that we could photocopy for members, I'd very much appreciate it.

I'm going to ask you about a comment you made earlier in your brief when you were talking about the 450% increase; you had 60 persons in your client group and they employed 400 people.

Mr Title: That is correct. We have 60 tenants in this group of buildings downtown and they employ approximately 400 people.

Ms Poole: When you were talking about this incredible increase, you were saying these people cannot stay in business and all the employees from Scarborough, Etobicoke, Mississauga and so forth will be out of work.

Mr Title: I surmise so.

Ms Poole: With the cap that's been proposed, where there would be a 10% increase due to market value the first year, the same the second year and a 5% increase the third year, plus the regular mill rate increases, are you still going to have the same picture? Are you still going to have the same devastation and unemployment?

Mr Title: If any of you people would like to visit my office, I will show you that we get an average of one to two of our clients coming to us every week stating to us that they cannot stay in business and we must reduce the rent to them. I insist that we get financial statements, and you can see that their business is waning because of the recession or whatever you want to call it that we're presently in. They will not stay in business, because the 10% increase in rates is on the present mill rate. The average increase in mill rate, if I'm not mistaken, has been 6% to 8%, so we're looking at an 18% increase. That's very costly for people who are struggling to stay in business.

Ms Poole: They're on the edge right now, and this is going to push them over.

Mr Title: They're on the edge right now. I see these statements. We, as landlords, are on the edge as well. Let me tell you what is happening. We have had to put alarm systems in two buildings most recently because of problems we've had with security, theft. Just this weekend some people broke into a building we have and had a party Saturday evening; broke into premises, had a party.

We are finding it more and more difficult to maintain these properties. We have not only maintained them but have rebuilt them over a period of 25 years. I think we're conscientious landlords. We've taken these old buildings

and rebuilt them to what people appreciate for these properties downtown. That's what gives the downtown community the vitality it presently has. We all enjoy it. But I'm concerned that we're going to lose it. These people will be out of work.

The Chair: Thank you very much, Mr Title, for coming to the committee and for your strong presentation.

EXPLORATION HOUSE

The Chair: I call the representative from Exploration House. Would you be good enough to introduce yourself for the purposes of Hansard.

Ms Liana Sneyd: My name is Liana Sneyd. I don't have very much of a presentation. My husband wrote a letter to the minister on November 18, and I believe a copy of that letter is being given to each one of you. I can reiterate that we purchased a property, having sunk our life savings in it, approximately 15 years ago. It's a very small property, 16 feet in frontage, a row house on a deadend street. It is mixed commercial and residential, which is one of the reasons we bought it. We had been victims of the skyrocketing real estate prices in Yorkville at the time we decided we would buy our own property, basically to safeguard ourselves from having, at the whim of any landlord, our rent raised beyond what we could afford to pay or forecast.

We do not need very heavy traffic for the line of business we're in. We're very specialized art galleries dealing in antique maps, marine and scientific instruments, scrimshaw globes and paintings of nature and the sea. We therefore decided that we didn't need to be in a high traffic area, that people who were interested in our sort of things would seek us out; that the important thing, to a certain extent, was to have a forecastable rate of rent, mortgage, whatever one wants to call it, and to be in an accessible area, although not high traffic, just south of the Summerhill subway station.

When we purchased the house, the 16-foot frontage house, we did a bit of renovation to give us a little more wall space, if you will. The house was over 100 years old. It was one of the early railway houses on a street which originally was mainly industrial. With the passage of time, when Hunt's bakery had its labour problems and sold out, some of the street was redeveloped into fashionable town houses. Our property was not. Our property was and remains in part of the "commercial" area of the street. It's very restricted commercial space. It allows very few uses. The idea was to try and cater to an arts and crafts oriented tenant.

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Unfortunately, with the passage of time, the residents in the area decided they didn't want retail, so the number of tenants, if not the number of uses, also dwindled. We now are one of two retailers on the street, the other being a small framing shop. The rest of the commercial area is offices of a restricted nature, law offices mainly.

I don't know what the properties are worth, quite frankly. I don't know who set the values on our property when they decided what the market value assessment was going to be. I can only tell you specifically two cases. Our immediate next-door neighbour at number 20, who is completely comparable to our property, except that she is partly detached whereas we are literally sandwiched in between a number of properties, listed her house for sale, on the advice of a friend who was in real estate, about five years ago at about $850,000. On her very optimistic outlook, she turned down an offer of $725,000 about four years ago. The property has not sold and she'd now be very happy to accept $400,000.

If her property is assessed on what whoever decides it was worth in 1988, I don't know what her taxes are going to be. I can tell you that our taxes are being raised from twice what hers are as it stands. She's paying a little over $2,000 a year at the moment for that small house she's in. We are paying more than $4,500 at the moment, and what is being proposed is that our taxes be increased to $13,329 on the residential part, plus $2,550 business tax, rising from $927, adding to approximately $16,000, which is about three times what we're paying now.

Our business has gone down incredibly. We are not talking about dwindling profits, we are talking about dwindling sales. I don't know how we have survived. It's probably because we do not have staff; we can't afford staff. So you're looking at staff, and this staff does everything that's needed in that house. My husband is 67 years old and very ill. He basically pays visits to the shop just to keep in touch. I don't get enough out of the gallery to survive. Consequently, I also do interpreting work freelance to make ends meet.

Back to the other example I wanted to give you about values on our street. Immediately next to number 20 is a property which its owner lost. It used to be owned by Summerhill Hardware, a very well-known business that was around for many years. They went bankrupt with the demise of real estate values. Let's underline that: Real estate values have gone down throughout the city. They lost because their trade catered to people redoing their houses. They lost doubly so, because they had a property which they thought was worth $3 million and it has just changed hands for $575,000. Who is going to pay what of that property? Who can possibly assess what it's worth today? We're talking about survival of the streets. We're talking about survival of the city.

Also, if people own properties which they rent to tenants and the rent controls control what the rentals are going to be, what landlord can afford to pay a market value assessment on a property which has been set by somebody who doesn't know the realities?

I don't have much more to say.

The Chair: Thank you very much. We have time for one question.

Mr Owens: Looking at the letter that you provided from your husband, current taxes, business and residential, are $5,800, and if we were to pass this particular piece of legislation, your taxes would rise to $13,329 in property taxes plus $2,550 in business taxes?

Ms Sneyd: That is correct.

Mr Owens: Did an assessor ever visit your premises?

Ms Sneyd: Not that I know of.

Mr Owens: No one ever knocked on your door and said, "I'd like to have a look at your property"?

Ms Sneyd: No, sir.

Mr Owens: So it sounds like your husband, where he calls this nonsensical in his second-last paragraph, is probably accurate.

Ms Sneyd: That's an understatement.

Mr Owens: What is the potential for yourself and your husband to be able to remain in business should this piece of legislation become a reality?

Ms Sneyd: I think we could only survive if we won the lottery.

The Chair: Thank you very much for coming before the committee tonight. We appreciate it.

CORSO ITALIA BUSINESS IMPROVEMENT AREA

The Chair: Could I now call upon the representative of the Corso Italia business improvement area? Welcome to the committee. If you would be good enough to identify yourself for the purposes of Hansard, please go ahead.

Mr Phil Capone: My name is Phil Capone. I'm the coordinator for the Corso Italia business improvement area, a business community along St Clair that basically forms the heart of the Italian community in the city of Toronto. By way of preface, I was involved over the last several months in the various discussions down at Metro Hall as well as different more demonstrative kinds of actions by business and resident communities across the city.

I'd like to say first that the prime motivating objection I have to Metro's present market-value-based proposal—and it is exactly that; some people will say it is not market value. I want to very clearly draw to the attention of the committee that it is market value based, and that is the starting point for the problems most people foresee down the road. That objection comes from the very serious negative impact which it definitely will have on the businesses in my area.

The past two years have been very difficult ones for us. Free trade, GST and the general worsening of the Canadian economy have all caused considerable damage to our business community and many of the businesses in our community are just barely hanging on.

Each new measure which increases the already considerable operating costs of our members brings them that much closer to losing their businesses. These are lean times we find ourselves in, as we are all well aware. These are also very precarious times, which ask us to avoid inflicting any further shocks to our already faltering economic system.

The business community of Corso Italia consists of approximately 280 businesses employing over 4,000 people. If the present proposal is endorsed by the province, many of these businesses will close, and with their closure comes the loss of a significant number of jobs.

This, however, would be the immediate effect only. The potential long-term effect, we fear, would be more catastrophic. With more and more businesses closing all around the city and more and more people out of work, our own businesses would in turn be ultimately be affected. More job losses also mean more demands on social welfare programs, which in turn result in increased costs to existing businesses, which cause more businesses to close, and the deadly cycle spins on and on.

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We're not experts on the economy or on taxation, but we are keen observers of how changes in one part of the economy ultimately affect us personally. In recent years particularly, we have become only too well aware of how integrally connected we are to the fate of the Toronto, Metro and larger economies as a whole. We see very clearly the serious potential danger of this proposal and, to be quite truthful, we are all very much afraid of what we see. It is for this reason that we are determined to do everything within our power to stop it.

I respectfully submit to the members of this committee and of our present government that we do not need more business closures. We do not need more job losses. We do not need the damage which will inevitably result from Metro's present ill-conceived proposal. We want and need real, responsible tax reform, which, we regret to say, the present proposal does not constitute.

I did not come here, however, to speak merely about the effect this proposal would have on my business community, nor to justify a decision by this government to decline Metro's request for enabling legislation solely on the grounds of the damage I foresee it causing to my community. Though this is ultimately important, there are many other reasons which need to be considered, and I expect that earlier submissions on this issue have likely addressed them in one manner or another.

I would like, however, at the risk of being repetitive, to comment on some of them to draw attention once again to the fact that there are many important and compelling reasons which show Metro's present market-value-based reassessment proposal to be inappropriate and unacceptable. Indeed, there are many reasons which justify a decision by the present government to decline Metro's request for the enabling legislation necessary to implement it.

In the interests of brevity, I'm just going to go through the first major section of my presentation which deals with some of the problems I see in the proposal, and then deal in some detail later with the principal thrust of this brief, which is addressing some of the reasons offered by the present government about why it is not possible, statutorily or politically, to decline Metro's request. I'll try to do that as quickly as I can.

First, The issue of negative economic and social impact: I think we've all heard numerous examples of how that is going to be a problem.

There's also the point of market value assessment being inappropriate because there's no necessary correlation between market value and the costs of providing municipal services to any given property. I think most people, upon reflection, will agree this is the proper way in which property taxes should be levied.

In addition, it penalizes property owners from improving their properties, even though such improvements don't impose in any way on municipal services and in fact ultimately benefit communities.

It's also inappropriate because owners of individual properties have no control over development or speculation

activity that goes on in the communities wherein their properties are located. That brings about situations where you have people who live in houses 20, 30, 40, 50 years and are past retirement age, no longer earning an income, are on a fixed income, a pension of some sort, and because the property value of houses around them shoots up for either speculative reasons or because the area's become more attractive to younger professional people, all of a sudden their assessment rises and consequently results in an increase in taxes. This doesn't make any sense, because those poor people haven't made any increased demands on the municipality for services. It doesn't seem right that there should be an increase in that kind of situation.

It's also inappropriate because of the amount of subjectivity involved in making market value assessments. An awful lot of appeals result because of disagreements that occur in this regard, and this results in tremendous backlogs in our court system. We're all aware that the courts are extremely backlogged right now. This kind of proposal, and market value assessment in particular, I think is going to aggravate this; also the additional cost, both to the individual property owners and to the taxpayers as a whole as a result of administering appeal systems and court systems in general.

Market value assessment causes uncertainty, because if a person wants to rebuild on his or her property or purchase a vacant lot and develop it in some way, he doesn't know what the taxes of the project will be before he actually constructs the project, in most cases, as far as I know. They have to wait until after the construction is done. An assessor goes out, takes a look at the project and says, "Now we know what your taxes are." That creates a problem because, as everybody knows, money doesn't fall out of the sky. You have only a certain amount in terms of what you need to do. If the assessments aren't known beforehand, there's an awful lot of difficulty associated with that.

The third major point about why the present proposal or market value assessment systems in general are not appropriate for the Metropolitan Toronto market in particular is the extreme volatility of the real estate market in the Toronto area. I don't think I have to convince anybody of that. We've all been very close witnesses to what's happened recently, in the last couple of years.

As to equity in terms of the share that one municipality bears of the total Metro tax burden in relation to the others, it is my understanding that Toronto at present, with 29% of Metro's population, generates approximately 42% of the tax revenues. I've heard the accusation coming from people in some of the outlying municipalities that they're subsidizing the city. I submit to you that that is not true, that it works the other way around.

As to the question of the assessment data in particular, I think they're unacceptable because of some of the discrepancies I've heard just recently articulated here; for example, two similar properties very close to each other being assessed at very different rates. There doesn't seem to be any justification for that sort of thing happening, but it does happen in the present data. I think a good part of the reason for that is because I've been told that summer students comprise a large part of the core of assessors who actually put together this data. Unfortunately, summer students, well meaning though they might have been—my understanding is that they didn't have any previous experience in this sort of thing, so that's what led to the problems we see today.

On to the sixth point regarding the inappropriateness of market value assessment. This is basically a continuation of an earlier reference to the appeals and the increase in the number of appeals we're going to see. The present waiting period for assessment appeals, I understand, is two years. People I have talked to who are very closely involved in this whole process are afraid it's going to go to something closer to 10 years.

The seventh point, and I'll try to move more quickly, because it's taking a while: Successive reappraisals are going to cost an awful lot of money, first, in terms of the appraisal team you're going to have to hire to work to do these appraisals, and second, in terms of the appeals and other things that will result as a consequence of any disagreements about the appraisals.

There are more appropriate alternatives proposed. There have been several that I have heard proposed at the Metro level. Unfortunately, this is my first day in this room, so I haven't heard if any others have been proposed. One very simple one that makes an awful lot of sense, because it draws a very close, direct correlation between a property for which taxes are being assessed and the amount and cost of the services that it's drawing from the municipality, is a combination of lot size, lot frontage and the size of the building.

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I submit to you that this year is at least a reasonable start to looking towards alternatives. If we take a look at the second point on that list, lot frontage as an example, we live in a city. The city has roads, sidewalks, lighting; it has sewer systems and all the other different infrastructure components we need to live and work here.

If you have a stretch of road that's a mile long and you can fit 100 houses on there, the cost of constructing that road, the sidewalks, putting in the lighting, the sewer system, the water pipes and all the rest of it, is fixed, all right? If you fit 100 houses on there, you'd divide that cost 100 ways. If you only fit 50 on there, 30 or whatever other number you come up with as a result of the size of the lots, the cost apportionable to each of those houses is proportionally higher. There's nothing mysterious about this; it's pretty straightforward.

In all fairness, in the interests of responsible land use planning, I think we really do have to look at systems which make a direct, logical connection between class of services and the physical reality of the property we're considering. So I make that point.

In addition, there have been recommendations, and happily these are in line with the present government's position of ultimately moving education, welfare and other general costs to the provincial level. I think that's an important consideration.

The advantage of this kind of system, because it's not based on market value, is that the assessment would be constant; it doesn't change from year to year. That makes sense,

because you're not making any more demands on the city's services in one year than you are in the previous or subsequent year. The assessment formula would be objective, both in definition and application. There are no judgement calls involved, and consequently the number of appeals is going to be dramatically reduced. There's no need for periodic reassessments. You eliminate the cost of that team of assessors you would have to hire to go out and do the job.

I'll move on to points 9 and 10 on page 7. As we all know, the Fair Tax Commission—

The Chair: Excuse me, I know there might be one or two questions and we're just starting to get a little tight for time.

Mr Capone: Are we? I will move on quickly, then.

I'll leave points 9 and 10 for you to consider. What I want to do is move on to page 9, if you will flip to that, regarding my concerns for the reasons being offered in support of Metro's proposal, and even more importantly, that are being offered as to why the government is compelled to provide the enabling legislation for Metropolitan Toronto and why it is appropriate to do exactly that in these circumstances.

First of all, we're told that the present proposal is not really a market value assessment. I submit to you that it is definitely based on market value assessment. In spite of the limits proposed for both commercial and residential properties over the following three and two years, respectively, there is nothing to guarantee that eventually assessment and the taxes based on it will not be pegged at full market value.

To borrow two appropriate analogies which have been used by opponents of this scheme in recent months, I'd like to just say that this is like being condemned to a slow death instead of a quick one. One that I find makes even more sense, as far as the dynamics of the situation are concerned, is being asked to put our heads in a noose, all the while being assured that it would only be pulled so tight. That's exactly what it feels like to us and I'm asking you to not ask us to put our heads in that noose.

Secondly, the point is made that taxation at full market value upon resale will not be automatically or immediately enabled by this legislation. Instead, Metro is being asked to reconsider this part of the legislation, and if it ultimately decides to proceed, it can only do so by passing a special bylaw. We all know, especially from having read in the papers, that Metro fully intends to do this, so I don't think this provision really protects the people of Toronto at all.

Thirdly, and this I think is probably the main one that has been offered to our community: We have spoken many times with our provincial representative, Mr Tony Silipo, and the argument he's made to us very strongly is that even though the provincial government is opposed to market value assessment systems in principle, the difficulty of the present situation is that it cannot deny Metro something which all the other local governments already have a right to.

I submit to you that Metro is not a local government. I submit to you that Metro is a regional government composed of six local governments, six municipalities. There's a very real difference here. While there is some justification in saying, for example, that the government of Ontario has no right to impose, on a matter of assessment, its will on the government of the city of Toronto, what I want to point out is that this is not what we're asking it to do. What we're asking in this instance is for the province to prevent the other five constituent municipalities of Metropolitan Toronto from imposing their will on the city of Toronto. I think, quite clearly, that explains what the situation is.

I think, especially because of the unfairness which some of my earlier points have reflected, that it's not only possible for the provincial government to do this, but it's also necessary if we are to preserve the original spirit, the intent of the formation of the original municipality of Metropolitan Toronto. Because we're here today, I think it's pretty clear to everybody that the province does have the authority and does have the statutory right to do this.

I submit to you that the reason, one of the reasons at least, why this kind of provision was part of the Municipality of Metropolitan Toronto Act was that it was felt necessary—it was a statutory safeguard—in order to have all the various local municipalities actually agree to the incorporation. Had it not been included at the time of incorporation, I seriously doubt whether the Metropolitan Toronto municipality would have been formed.

Just as a very focused example of one of the reasons why this would have been a concern to the city of Toronto, in particular, is that the city of Toronto has a very different kind of development character than the other municipalities. We all know it's characterized by dense development with emphasis on public transit. Other municipalities are very different. They have larger homes on larger lots with emphasis on private automobile transportation.

One of the things I'd like to very quickly address is the whole point that people, particularly in the suburbs, are making about how they are upset about the fact that if, for example, they own a $200,000 or $300,000 home in the suburbs, they are paying twice as much tax as somebody who owns a $200,000 or $300,000 home in the downtown core of Toronto.

I live in the suburbs. Six years ago I bought a home in the suburbs. I was very much aware of the difference in tax levels between the suburbs and the city. I moved out of a dwelling which was 18 feet wide and I moved to a dwelling which—I think I've got about a 45-foot lot. I pay about three times the taxes and I fully understood why it was that I was being asked to pay that difference in taxes. There was no mystery to me. I accepted the extra cost because of the extra convenience, the extra amenity of living in that community. I'm not at this point going to start jumping up and down, saying: "Hey, wait a second now. Yeah, I agreed to it then, but now I have changed my mind because somebody's making a case for me." I don't expect it's fair for other people to be doing the same thing.

Moving on very quickly.

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The Chair: Perhaps I could ask you to come to your conclusion. I regret we're a bit over the time.

Mr Capone: I will. I should in all honesty say that the people in the communities in Toronto have some various concerns about the public meetings. Although we're happy to have a chance to explain our side of the story and to explain why we feel there's a problem with the proposal, we do have serious concerns about the fact that second reading has already taken place and these hearings are not yet complete. The big questions in our mind are: Is the government listening? Does the government intend to approve Metro's proposal in spite of anything we say? Will our submissions make any difference at all?

I believe there's still a chance to stop the damage and injustice that's going to result from Metro's proposal. I still think there's a chance for reason to triumph in this kind of situation.

Very quickly, to comment on a point that was made to us about the province trying to get Metro and the city to sit down and come to an agreement as to what would be a fair alternative approach to assessment, I submit to you that the city has been trying for a very long time to have Metro hear its views on this matter and Metro hasn't been very receptive at all. Should this proposal be enabled, I don't expect Metro will be any more receptive than it has been already.

Just to sum up—

The Chair: Very briefly. I'm sorry, I must ask you—

Mr Capone: Very briefly, then. It's a darn good thing I wrote my points down because, to be honest with you, the good part of my involvement with what has transpired over the last couple of months has been with a lot of street demonstrations, a lot of situations where passions really have gotten the better of us in many instances. We have really put our hearts, souls, bodies on the line on this issue. We've done everything we could. We've done it with courage. We've done it with dignity. We've done it with firm resolve in the belief that it is necessary for reason, for responsibility and justice to triumph over mere political expediency. We ask no less of the present government, as well as the other members of the provincial Legislature. There's more to it, but I won't read that.

The Chair: I realize that in your submission you've included a lot of other points, but I can assure you we'll have an opportunity to look at those and I want to thank you very much for the time and effort that you've put into this. Thank you for coming before the committee.

Mr Capone: You're welcome.

DAVID GORING

The Chair: I next call Mr David Goring, please, if Mr Goring would come forward. Members may recall that Mr Goring had mailed in his presentation and we received a copy of that previously. Mr Goring, welcome to the committee and please go ahead.

Mr David Goring: Thank you for being here to listen to me. I'm a retired professor of chemical engineering and I live in a small house in downtown Toronto. The last speaker has stolen all my points. I'll make them again, anyhow.

The Chair: It's the sincerest form of flattery.

Mr Goring: Yes. That was a good talk. I'm going to be short. I love living in Toronto. A lot of people love living in Toronto, so much so in the city of Toronto that they will buy miserable, little houses on tiny lots for extraordinarily large sums of money so they can be near a subway station and near a little street of stores. They pay a lot of money, far more money than the value of the house itself, just for the land.

My friends, this is good stuff; it's good stuff. It's what the province wants people to do. It's what the municipalities what people to do. They want to come and live in the downtown part of the city. They want people to have little stores in the downtown part of the city. It's great.

Market value assessment is against this. Market value assessment penalizes a person who decides to pay more for a small house and live in downtown Toronto because, as the last speaker said, the taxes you pay don't bear any relationship to the services you receive.

Let me give you an illustration. There's a lifestyle parallel to this. The establishment wants us all to eat good food and to take exercise. MVA is the equivalent of taxing vegetables and having people buy licences for jogging. Think about it, okay?

Now the alternative. Well, the last speaker suggested one alternative. Let me say that he's right. To have a fair tax system in a place like the city of Toronto—and, for that matter, the suburbs—you have to start with a basic equation. A taxpayer is taxed by the municipality for the services he receives. There should be some relationship between the cost of the service he receives and the tax he pays. Simple. Market value assessment doesn't give that.

How do you go about getting the cost? My suggestion, like the last speaker, is that you base tax on the size of the land; in fact, perhaps instead of taking the size of the lot, you should take the square root of the size of lot—this is a professor talking, don't forget—because that is a simple measure of road. But you need something else. Cost is not enough. We must have ability to pay. A fair tax system—now listen carefully to this—means that a rich guy should pay more than a poor guy for the same amount of service. To do that, as well as taxing on the basis of area of land, you tax on the replacement cost of the house, which is very easy to get. In all the fire insurance policies all over Toronto, you have replacement cost. You can get a good adjustor and in five minutes he'll give you the replacement cost of the 20 houses on our little street within a couple of thousand dollars.

A simple system to set up: replacement cost plus area of land; cost of service plus wealth, ability to pay. A tax system based on that, I think, would certainly be acceptable to the people of Toronto. I call it LARCA—land area replacement cost assessment—and I leave it with you.

My suggestion is that the provincial government stall this thing for a bit until people have time to look at it more carefully and come up with a tax assessment system which will not have the drive to stop people living in downtown Toronto.

The Chair: Thank you. Mr Wiseman.

Mr Wiseman: I don't agree with you on one of your points. It's not to be argumentative, but I don't think the

replacement cost of the house is going to reflect the ability of the person in it to pay. If a person has bought the house and has insurance and has lived in it for 30 or 40 years and the house is paid for, the insurance premiums are still the same amount. If it burns down and has to be replaced, the insurance will pay for it. That still doesn't indicate that the person living there can afford it. So I would ask you to give some thought to that.

The second thing I'd like you to think about is this: To go to a system where the infrastructure services are paid for on the basis of footage or some kind of formula of square footage still leaves Metro with about $2.3 billion in funds it has to raise for education, welfare and day care. There have been some who have suggested that the province take responsibility for that. If they were to take that $2.5 billion as a burden there and use, say, an income tax or sales tax or whatever you want, how would we guarantee that those savings would be passed on to the property taxpayer?

Mr Goring: I think you would guarantee that by the way you guarantee that all taxes don't go up. People vote.

Mr Wiseman: They voted for the Metro councillors who put this in place.

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Mr Goring: I agree entirely that education and welfare costs should not be included in property taxes, because they're not really related to property taxes. When people find themselves paying more income tax to pay for these things, I think they're going to expect very strongly that their property taxes are going to go down.

Mr Turnbull: Mr Goring, I almost have to slap myself when I say this. I find myself agreeing with part of what Mr Wiseman was saying.

The Chair: It's the Christmas spirit.

Mr Turnbull: I guess so. The replacement value of a building doesn't in any way reflect the ability of somebody to pay.

Mr Goring: Why?

Mr Turnbull: As Mr Wiseman pointed out, if somebody's lived in a house for 30 years and he's maintained it well, it may actually have a reasonably high replacement cost. I would suggest unit assessment would be fairer, because in some way it does reflect the size of the house and the amount of services.

Essentially, we have to get to a better system of taxing people. One of the presenters this morning suggested that maybe there should be a floor amount of money that all households would have to pay. He actually suggested $2,000; I would suggest something somewhat less than that. Then on top of that, you would build on components for the amount of front feet you had to service, because that would reflect the number of feet of street you have to service, the amount of sewers you have to service, and so much for the size of the building, because in some very crude way it might be able to reflect the ability to pay, on the premise that the very large house would be owned by somebody who can afford more than the small house.

Ultimately, I think we have to move more of the burden to a true income-tax-based approach, where it does reflect people's ability to pay, and get more cost of services charged out directly to people.

Mr Goring: Fair enough, but do you think market value reflects people's ability?

Mr Turnbull: I'm the most fierce opponent of market value you will ever find. In fact, I've been fighting market value for some seven or eight years. This is the very issue that brought me into politics. I only ran for the first time in 1990 and never thought I would. This is the issue that brought me in. I think market value is a totally flawed system, but I want to make sure that whatever we look at is a fair system which reflects people's ability to pay. That was my only comment. I wasn't being critical of you, I was just suggesting that the replacement value might be a poor reflection of people's ability to pay.

Mr Goring: Thank you for commenting. I'm not an expert on tax. You may be right on that.

The Chair: Thank you very much, Professor Goring, for being with us tonight.

KEN BLUESTEIN

The Chair: I'd like to call Mr Ken Bluestein. Welcome to the committee. Have a glass of water and relax. It is water.

Mr Wiseman: Paid for out of your service taxes.

Mr Ken Bluestein: I'd like to thank you or whoever is responsible for asking me to come here tonight. I called my councillor's office last week and spoke at length about the problem of MVA and how it affects my wife and I. I got a call back just today, this afternoon, that I was slotted in to speak at 8:50 tonight, so I haven't had too much time to collect my thoughts about this, although I've had a lot of time to stew about it inasmuch as we are definitely affected but we don't know exactly how yet.

To give you a little background, Bev, my wife, and I live in a home in North York, a small house we bought about 10 years ago. It's a bungalow and just the two of us live there. We've been there for 10 years and quite happy there. We've paid more taxes every year. Taxes have not gone down; they've gone up. Fortunately, we've been in a position to pay the increases and we live a fairly decent life.

We also purchased a small property in the city, on Eglinton Avenue. We were in business there. We started a business in 1971 and we operated that business for 13 years. During the course of that operation, we were approached by our landlord; he asked us if we wanted to buy this small building, which we ultimately did. That was about 1975, so we've owned the property for about 16, 17 years. The actual address is 948 Eglinton Avenue West. It's a small 17-foot frontage building with an apartment at the top.

When Bev and I retired about seven years ago from business, we rented it out on a fairly long lease. We have the same tenants on the property and we've had a few tenants living in the apartment over the store. It's been a fairly good arrangement.

In the interim, obviously taxes have gone up, rents have gone up and the value of the property has gone up, so there

didn't seem to be any reason to worry. Of course, the economy was great at the time and everybody was buoyant, positive in their outlook and forward-looking. But I think in the last four or five years, at least for us, that has changed. I haven't been able to work in the last four or five years at my profession because of the economy and other related matters. My wife works. She has a fairly nice position and we're not crying, but things have definitely changed.

I'm sure that reflects what's happening in the economy in general, that people's lives have changed markedly from really relatively stable positions to positions varying from—maybe better in some instances, but I would think on the whole not as good as they were in the 1980s. I'm not a street person, but our lifestyle has changed because of what's gone on in the economy and just the world in general. Things are changing, so we have to accept that. I don't want to get too philosophical, I'm on that route already, but just by way of background to let you know where I'm coming from.

As far as we're concerned, with respect to MVA specifically now, given what I've just said, imposing this type of tax at this time, given how I feel in general about what's going on with us and the world—I would like to relate the two matters, because I think we're all in it together in that sense—this is an imposed tax that feels more like punitive damages to me, punitive in the sense that we are being punished for the sins of omission or commission in the past, things that have happened politically and economically, where governments have failed to raise taxes incrementally over time and now we're paying the price. Governments need money to operate.

I remember as a fairly young man when the whole environment in Toronto changed, when Metropolitan Toronto took in all the suburbs. Forest Hill changed, it was amalgamated and so on. There were a lot of positive aspects to it, but I think even at that time there was a lot of hoopla about what it was going to create, not only politically but in costs and so on. Many years later, we can look back and see what kind of situation it's brought us to. But that's life, and I think we have to look to the future.

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With this tax on this particular building we have and in general, people in our circumstance, I think it's an imposed tax and feels more like a punishment than a tax. We have had tax increases ever since we've owned the building. We've always participated in tax payments, whether we were a tenant or a landlord. We've always paid a share of the taxes. Now it's scary. We look at this kind of tax burden happening so suddenly as something we really can't handle. I don't know if our tenants are going to be able to handle any increases we pass on to them. We may lose them. Eventually, rents will not cover—it won't be worthwhile to own any type of property, especially a small one where income is basically limited to a small store or a small apartment.

I feel it's a punishment; it's not a tax. And it's not fair. I feel like I'm going to be ripped off really good. The value of having owned a building over time will be diminished, in that sense. It's really a matter of substance to some degree. How do you justify doing this to small land owners? How do you morally justify doing something like this?

Also, because it's only been happening for a year or two—the juggernaut has been rolling on for the last couple of years—the taxes come out of left field. Suddenly there's a great need for it and everybody's pushing in that direction. That's unfair too.

My feeling is that it's motivated more by politics than from any other point of view. I think the political infighting is pushing it in the wrong direction. It's time to step back and have a look at what's fair and what's ethical in the larger sense.

The other point around that—I have some very loose notes here—is that people are barely hanging on. Tenants are barely hanging on and landlords, unless they're very wealthy, are barely hanging on too. They're barely hanging on to their tenants. They're hoping their equity remains, that somewhere down the road they can sell a building and make a profit, if that's not a vulgar term. It looks as though in this environment all that is going to erode and the value of small people owning small property is going to be valueless somewhere down the road. It just won't be worthwhile.

So who's going to own the buildings? Who's going to put money into them to refurbish them? Who's going to be attracted to come in and rent space in places like that, where the landlords are tight for money and can't put megathousands into something to fix them up? I don't know how to answer that. It's a phenomenally difficult problem.

Very specifically to market value assessment, is it fair market value assessment? If you use 1988 as the year to base this on, is it really fair to take the highest point in an up-spiral and say, "There it is. Let's grab it there," and when it starts falling down, forget about all that that surrounds it? To use 1988 is really unfair. I'll leave it at that.

I'll close now in the hope that this will all turn out well for everybody. That's my hope not only for us, my wife and I, who hopefully can retire soon and not have to worry about what we're going to do with our property, our home. Are we going to be taxed out of the house? Our small property: Are our tenants going to leave? Are we going to have to put it up for rent and try to give it away to somebody who will rent it and open something and try to make a go of it? I don't know. The future for us is an unknown quantity, and I'm sure there are other people in the same boat.

I'm asking you and the people you all represent—I'm appealing to your better judgement. I'm asking you not to forget about tax and not to feel sorry for people in our position but to postpone this decision on MVA and deliberate a little more. Take the time to do it right. Evaluate it. Wait for the economy to recover. Let's everybody get a better view of things as things recover. Maybe that will have some impact on what happens with MVA, if we wait a little longer. If it's imposed now, the die is cast. Reassess and rethink, and then maybe we'll be on the road to some real market value here and some real, important value assessments in the future.

The Chair: Thank you very much for a personal and thoughtful presentation.

Mr Bluestein: Thanks very much for hearing me.

ILONA TODD

The Chair: I now call Mrs Ilona Todd. Mrs Todd, would you mind using that microphone? We've had problems with different microphones, so we're going to put you at one that works better. Thank you very much for coming before the committee tonight. Please go ahead.

Mrs Ilona Todd: Thank you for having me. I must say ahead of time that I won't be quite as eloquent as the gentleman before me. I got my appointment late this afternoon and I am really not prepared as well as I should be, but I do say that I certainly object heartily to these increases.

I am the executrix of my mother's estate. I am obliged to pay all the bills. The property I'm dealing with is at 126 McCaul Street here in Toronto. This is my sole residence, my principal residence, but it is zoned commercial.

When I had a mortgage arranged and registered yesterday, I was told I would receive a residential mortgage because this is what I qualified for, yet I have been taxed over the years for a commercial property because the area happens to be commercial. There is one commercial unit in the building and four residential units. The Toronto-Dominion Bank wouldn't give me a commercial mortgage. They gave me a residential mortgage because I did not qualify.

Now I find on inquiry to the Metro market value reassessment people that I will have an increase from $9,498 to $14,662 in 1993. That's not exactly what we have been told would happen even to a commercial property. That is a big jump, more than 50%.

There isn't much more that I can say. As I said before, I am not prepared, but these are the basic facts.

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Mr Grandmaître: Thank you, ma'am. Can you describe your property for us? How big is it?

Mrs Todd: It was a Victorian building. My father took the pains and the money, his hard-earned efforts, to enhance the building. He got a permit, because he was a butcher, to put in a premises which was commercial, a store on the building.

Mr Grandmaître: There's only one business in the building.

Mrs Todd: Only one business. Since my father's death, it has had to be rented out. There are four apartment units, which I contributed to the upkeep of in the last 10 years, because I have been there for more than 10 years looking after my mother, who died in 1989.

Costs have been going up and up and up. I was forced to take a mortgage just recently. The mortgage I received yesterday, which had to be renewed, was with the Toronto-Dominion Bank. The Toronto-Dominion commercial department didn't see fit to mortgage my property, because they didn't feel it was qualified for that purpose. So they referred me to the residential department, and I did get a mortgage.

Mr Grandmaître: They turned you down, yet that building—

Mrs Todd: For a commercial mortgage. I was told I did not qualify in the commercial department.

Mr Grandmaître: What is the assessment on your building?

Mrs Todd: It was $20,125 in 1992. The new assessment will be increased for 1993 to $1.032 million.

The Chair: Mrs Todd, thank you very much. I know you thought you perhaps hadn't had enough time to get your point across, but I think you expressed your point very clearly.

Mrs Todd: Thank you very much.

JOHNSTON AND DANIEL LTD REALTOR

The Chair: I would now call Mr James Gairdner. Welcome. It's always nice to have somebody who grew up in Newmarket come before the committee. Good to see you again.

Mr James Gairdner: How'd you know? I'm glad to be here this morning and come in and be with respected MPPs. I must admit, though, I moved 25 years ago to Toronto.

The Chair: That's right. The old homestead—I digress, members of the committee, but we grew up on opposite sides of a farm. I don't think I've seen you since then.

Mr Gairdner: Yes, I've turned a little greyer, I must admit, but you look better.

The Chair: Welcome to the committee, and please go ahead.

Mr Gairdner: Thank you, Mr Chairman and respected MPPs. Analyses have indicated that each $1,000 increase in property taxes will reduce the property's value by about $15,000. Imposing full MVA on properties which sell during the next five years we feel unfairly discriminates against those vendors, many of whom may be selling because they're forced to either by economic hardship, retirement or forced relocation. Any decrease in property value comes right out of the owner's equity. A lot of people who bought in the late 1980s with the normal 25% cash and 75% mortgage have seen a huge drop in equity already. A further erosion of equity due to MVA will put many of them in a position where their mortgage is higher than their property is worth.

We've already seen that happen. I must admit, in 25 years in the business, I have never seen so many powers of sale as are taking place right now. As a matter of fact, nobody in our company was even used to the idea of powers of sale until the last two years. Now all sorts of agents are involved with powers of sale.

The concept of basing municipal taxes on the value of the property does not make sense. A municipality delivers certain services to its residents, much like Ontario Hydro or the telephone company. Hydro and Bell don't base their monthly bills on the property values; they base them on the amount of their services the consumer used. The same principle should govern municipal taxation, obviously with some modification to recognize the difficulty involved in metering the use of certain services, ie roads and parks.

Because the MVA that's proposed hits the central core the hardest in terms of tax increases, there's a concern that people and businesses will be driven to the suburbs, leading to a rotting of the core similar to that experienced by

many US cities. That's a genuine concern. It's been expressed to me many times by people.

MVA is an unfair and unpredictable location tax, unrelated to the property owner's ability to pay or to services provided. No socioeconomic impact study has been done on the proposed programs, but I do believe there is a fair taxation study under way, and would suggest that it might be an idea to see what that has to say before this plan has to be pushed all the way through.

MVA is not reform; it is the same system already in place in Metro and throughout Ontario. This new Metro plan simply maintains the same unfair system based on a volatile real estate market.

The plan will severely affect the arts, non-profit groups and small businesses. Any significant tax increase in the face of the present recession will result in more job losses, closures and bankruptcies. I don't think that's why we're sitting here tonight, to watch more of this erosion take place.

I have never personally seen so many people who must sell their houses, and I'm saying in all price ranges. It's really been very dramatic. It's caused fear, and the fear is somewhat endemic.

I know I'm your last speaker, and I bet you can't wait to get home, but I've got to tell you, this is real stuff we're talking about.

The Chair: If it helps, we're here till midnight.

Mr Gairdner: Anyway, I'll make it quick.

The Chair: No, no, that's fine.

Mr Gairdner: The federal government has put in a new RRSP plan, which everybody's well aware of, to help people, specifically first-time buyers, buy a house. I feel that this plan will greatly impact on that and have a negative effect on it.

I agree that the old system is unfair. I agree that the people in Scarborough and outlying areas have very justifiable reasons to be complaining, but I don't honestly think that we should be taking the same principle and adapting it to the centre of Toronto, saying, "Okay, we got it off their backs; we'll stick it back on the centre of Toronto," and have the same system regenerate itself. That does not make one bit of common sense to me, not one.

It's too abrupt. The old taxation that came in, came in over a 40-year period. This one is going to be dramatic; it's going to be overnight. And when it comes to point of sale, and all of a sudden a buyer—there isn't anybody in this room, if they are so lucky as to be able to buy a house, who wouldn't say to themselves, "I'm going to hiccup over a 300% increase in a tax." It's going to be dramatic, and some of those increases, which I'm sure you've heard a hundred times already, are very dramatic.

They are going to affect this city. They are going to affect the real estate values, and in my estimation, the real estate values are going to drop another 15% to 20%. The amount they have already dropped has caused tremendous hardship. What I'm really concerned about is the next percentile drop, because then we won't be talking about the number of people who must sell their houses right now; we will be talking about a whole huge group who will now not have the equity value in their house, and they will have to sell.

Once fear gets going, it's really a disaster. It follows throughout the whole system and affects everything. Real estate supports 27 different industries. If you crash the real estate system, you crash 27 more industries. It's a fact; we can prove it. I rest my case.

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The Chair: Thank you very much. Mr Turnbull.

Mr Turnbull: Thank you very much, Mr Gairdner. I've got a series of quick questions, because I would really like to bring out these issues.

I believe it's the case that the increase in properties in Metro in 1988 was uneven, that certain areas, central areas, went up disproportionately to others. I also believe they went crashing down further, relatively, than the others. Could you comment on that?

Mr Gairdner: That's absolutely correct.

Mr Turnbull: Can you give me a sense of the difference in proportions from area to area?

Mr Gairdner: Yes, I can. I didn't know you were going to ask this question, but I have some answers.

Mr Turnbull: As we're both real estate professionals, we're prepared with the same sort of thoughts.

Mr Gairdner: I don't have it in front of me. I guess I've left it at home. I was just looking at the list today of the houses, I think you're talking about, in the higher price range?

Mr Turnbull: Yes.

Mr Gairdner: Those houses that went up, I must admit, 30% during 1988, have dropped more than 50% in many cases since 1988.

Mr Turnbull: So that somebody who bought at the peak—let us assume they were moving out of a substantial home in order to be able to afford a very expensive home. They would of necessity have had to put some cash into it, and maybe taken another mortgage on top of what they got out of the old house they were selling, so their equity could be wiped out by these sorts of drops.

Mr Gairdner: You're absolutely right, but in a lot of those cases I think you can add into it that their businesses have been suffering at the same time. Those individuals not only probably had to sell their house but had to do it in order to satisfy the debts that were on the house plus they had business problems.

Mr Turnbull: So we've taken the example of somebody who's bought an expensive home at the height. Let us talk about a senior citizen who happened to be in a fairly modest house but in an area that became hot real estate and who had lived in that house for many years. They would have experienced an increase in taxes as a result of the area being dragged up by the infill builders buying houses and knocking them down and building monster homes. Is that not correct?

Mr Gairdner: That's absolutely correct.

Mr Turnbull: But they would not have participated in the profits of that, because they would have just been

continuing to live there and now they would not be able to get those values.

Mr Gairdner: That's correct; they won't be able to get those values. But what's important for this committee also to remember, as the gentleman prior to me said, is that the values that jumped up from 1987, 1988 and 1989 were disproportionate to what's been happening over the last number of years; it was a dramatic increase and the reduction has been just as dramatic.

Mr Turnbull: The impact, as it's not even across Metro, would have the effect of making taxes artificially high for some areas because of that particular year that was chosen as the assessment year.

Mr Gairdner: Absolutely.

Mr Turnbull: We know that 1988 was an absolute, all-time peak of values. Can you conceive, in the next 10 years of values, ever attaining that height again?

Mr Gairdner: I can't at this moment, I guess for several reasons. I'm not going to take everybody's time all night, I won't do that. But I don't see that in my experience after these many years, because structural changes have taken place in Ontario. The structural changes affected everything: manufacturing, supply, everything is affected by it. People who had a lot of money and sustained the economy don't have those sorts of funds any more. So it's going to be a long time for us to make up for the losses that have taken place and then, in turn, make equity and then continue on.

Mr Turnbull: I realize that you weren't around in these days, but if you know from history what happened after the Great Depression in terms of the crash in property values, do you know how long it took for those values to be recouped?

Mr Gairdner: It took a world war that really got things going. If it wasn't for the war, it would have been a lot longer.

Mr Turnbull: God, I hope it doesn't take a world war this time.

The Chair: Ms Poole.

Mr Derek Fletcher (Guelph): Thank you, Mr Chair. Oh, I'm sorry.

The Chair: I won't make any comment about the similarity, but it does seem to me that there is a distinct difference.

Ms Poole: I demand a withdrawal or a retraction, Mr Chair. It is getting late, and I think we're getting a little bit punchy, even though we've got several hours yet to go.

Mr Gairdner, I would like to ask you some questions about the point of sale provision. In Metro's plan, there was a section which stated that residences at the point of sale would go to full market value. They would be capped until that point, but upon sale, full market would apply. The government said it would like to attempt to remedy this because it wasn't very keen on this particular provision, so it said in the legislation that Metro could bring in a bylaw about the point of sale provision. I think probably you and I, judging from the smile on your face, share the same—

Mr Gairdner: Scepticism, maybe?

Ms Poole: "Scepticism" is probably a very good word—"cynicism," I was going to say—as to whether Metro would actually change its mind, as it has voted three times in favour of this point of sale provision.

I would like to ask you about two impacts, first of all, the impact on the real estate profession. I suspect there would be a fairly serious ramification in that there would be far fewer properties for sale; maybe not so much fewer properties for sale, but fewer properties which are actually sold if the buyer coming in realizes that the property is going to go to full market value in taxation.

Mr Gairdner: I think the same number of properties would still be up for sale. I think what's going to happen is that the value of those properties is going to drop dramatically. It will happen obviously more in the upper end than it will in the lower end, the percentage difference. If a tax goes from $10,000 to $30,000, that means you have to make $60,000 just to pay your taxes. So those houses at the upper end, in other words, the geese that lay the golden eggs, are really going to be hit. It's still going to have a percentage change down below, but it just won't be as high.

Ms Poole: We had a presentation this afternoon from a small business person from Etobicoke. They said there would actually be difficulty in refinancing with this market value on the horizon. I wonder if that would be even more difficult in the home market, where it is actually going to full market value on point of sale.

Secondly, can you give us an idea of how much the houses would be devalued? You mentioned that it obviously would be more serious on the higher-echelon than on the lower-echelon houses. Can you give us an example of, say, a house for sale for $500,000? How much would its value deteriorate by the fact that the buyer knows he is going to pay taxes based on full market value?

Mr Gairdner: Can I divert just for a second? I won't take long. I had an individual come in today who is a vendor. The agent was having a terrible time with this vendor because he wasn't selling that house, so I just took it upon myself to walk in and talk to that individual. After I explained to that individual what's going to happen with market value assessment, he dropped it 20% in four and a half minutes. My point is that if that happens because somebody is afraid that all the other houses are going to drop at the same rate, how quickly they would do it, what's going to happen to the market? These people have to pay taxes. If all of them are going to start going bankrupt at a rather rapid rate, it's going to affect all of us in this room dramatically.

With regard to your question about a $500,000 house, it will be approximately, in my estimate, a 15% drop. I think there's also going to be sort of a hiatus in that there's going to be a period where people are going to say, "I'm not sure what I'm going to do," so it's going to take longer for it to have an effect. It's very dramatic. Anybody who takes money out of his pocket today to hit a 300% increase in taxes has to have his head read. They're going to be thinking to themselves, "This doesn't make sense."

I'm not saying that the city doesn't have a problem. I'm just saying it's inequitable, that's all. I'd love to see

that fair taxation system study come in and take a look at it and try to make it fair.

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Ms Poole: And if the properties do devalue, as you have probably quite rightly estimated, there's also going to be a problem in that the person's equity will severely be impacted and he or she may have trouble refinancing.

Mr Gairdner: They will have trouble refinancing because of the thing called gross debt service ratio, and that ratio is going to be imbalanced.

Ms Poole: So very serious ramifications for the whole—

Mr Gairdner: Yes, there really will be. I honestly believe, by one of your questions, that if this group of astute people in this room can take into their minds the fact that a promise about re-evaluating the system after MVA is pushed through to stop point of sale is going to take place, that it is very necessary to have your very good thoughts and good wishes stop that from happening and be either part of it or have it taken out. I'm very worried about what's going to happen to this city, and I've lived here—I love this city, I've got to tell you, but I am very worried, I really am.

The Chair: Thank you. Mr Fletcher.

Mr Fletcher: It's a pleasure to be here. I've been dropping in and out of these meetings. I don't remember the Great Depression, as Mr Turnbull may. And as far as being astute, thank you.

Mr Gairdner: You're much younger than I am.

Mr Fletcher: You never know; it's deceiving.

I agree with what you're saying, and I agree with what Ken was saying. I'm on your side. But do we throw it back to Metro and say, "Look, this is your ball of wax, go ahead"? Not that I don't trust Metro, but I think it may use a big brush to paint everything. Or do we go ahead and move on this?

Mr Gairdner: I'm not here to say whether you should or shouldn't put in MVA; I don't think that's my job. But I really do say that if you do point of sale, we're making a huge mistake. It's like there's one part of this that doesn't fit, part of the plan that's out of whack. In the next five years we're going to see dramatic changes in real estate. I don't think that's what we're trying to do. We're trying to keep the level somewhere there so they can pay the taxes. If the values continue to go down, the taxes go down, everything goes down the tube.

Mr Fletcher: Is it a gradual thing that we should be looking at?

Mr Gairdner: Anything that's gradual and is considered as being fair. Your question is very fair. I don't believe, though, that a person who comes in and buys a house in 1993 should be paying for the vagrancies of the past governments over the last 40 years, and they're supposed to do it the day they buy a house. I don't think that's equitable.

The Chair: Would you like a question, Mr Wiseman.

Mr Wiseman: I just wanted to add that I've been sitting in these hearings since the very beginning—

Mr Gairdner: God bless you. It's been a long haul.

Mr Wiseman: Well, I've had the weekend off. I think Ms Poole and Mr Turnbull and Mr Frankford have had a little longer haul even than I have.

The Chair: And some others.

Mr Wiseman: Hey, I sat in that chair Thursday night.

What I would like to comment on, though—and I'd like to hear what you have to say—is that we had Mr Tonks and Mayor Trimmer and Scott Cavalier and a whole host of regional councillors and mayors from the outlying regions come in here and praise this package up and down and say that we really don't have an option. Scott Cavalier, who was sitting in that chair on Friday said that we, as the government side, don't have an option, because they are the elected representatives of this area and they have made a democratic decision to do this.

Now we've been hearing for some time that the railway lands are in serious jeopardy, the hotels, the arts community, vacant lands, Hydro, resale homes. How can this be a good deal, if every sector we're looking at—and how can they as politicians and then how can we as politicians override them as elected politicians and say: "No, we aren't going to do this because you've got it all wrong. You've really let everybody down and made a real mess of this."

Mr Gairdner: That's a very fair question.

The Chair: A simple question, and if you can give us the answer to that one, we'll be—

Mr Gairdner: I'd like to know if I could extend my time just a bit.

Mr Wiseman: We already did that.

The Chair: We'll make this the last question and the last answer.

Ms Poole: Preferential treatment by the Chair for his old friend, huh?

Mr Gairdner: I truly believe your question is related to the fact that Metro Toronto has a really major problem. I agree with that. I'm talking about the fact that at one stage everybody in Toronto thought they were going to have a 300% increase in their taxes. Somehow that got rolled back to a 25% increase over three years, so all of a sudden everybody said, "Phew." It came down a little, but there are some dangling participles involved in this, and one of them is point of sale. Point of sale is going to be a dramatic hit over the next four or five years that doesn't have anything to do with the 25% increase. It has to do with a 200% and 300% and 400% and, in some cases, a 500% increase.

That's the part I'm talking about. I'm not saying throw out MVA. I am saying I don't think it's fair. As a government, you've got to do something. What I am saying is that on point of sale, you're going to have a dramatic net effect that I don't think is going to be beneficial to this city and the surrounding areas at all.

The Chair: On that note, we'll end this evening's meeting. I want to thank everyone. The committee stands adjourned until 3:30 tomorrow afternoon in this room.

The committee adjourned at 2126.

*Wilson, Gary (Kingston and The Islands/Kingston et Les Îles ND)
Wilson, Jim (Simcoe West/-Ouest PC)
Witmer, Elizabeth (Waterloo North/-Nord PC)

*In attendance / présents

Substitutions present / Membres remplaçants présents:
Eddy, Ron (Brant-Haldimand L) for Mr Beer
Frankford, Robert (Scarborough East/-Est ND) for Mr White
Grandmaître, Bernard (Ottawa East/-Est L) for Mrs Fawcett
Mammoliti, George (Yorkview ND) for Mrs Mathyssen
Mills, Gordon (Durham East/-Est ND) for Mr Martin
Poole, Dianne (Eglinton L) for Mrs O'Neill
Rizzo, Tony (Oakwood ND) for Mr Drainville
Stockwell, Chris (Etobicoke West/-Ouest PC) for Mr Jim Wilson
Swarbrick, Anne (Scarborough West/-Ouest ND) for Mr Gary Wilson
Turnbull, David (York Mills PC) for Mrs Witmer
Wiseman, Jim (Durham West/-Ouest ND) for Mr Drainville and Mr Martin

Also taking part / Autres participants et participantes:
Fletcher, Derek (Guelph ND)
Tassonyi, Almos, senior economist, municipal finance branch, Ministry of Municipal Affairs

Clerk / Greffier: Arnott, Douglas

Staff / Personnel:
Drummond, Alison, research officer, Legislative Research Service
Richmond, Jerry, research officer, Legislative Research Service

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James R. Gairdner, president and chairman

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Second Intersession, 35th Parliament

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Monday 1 February 1993

Standing committee on social development

Long Term Care
Statute Law Amendment Act

Chair: Charles Beer
Clerk: Douglas Arnott

Assemblée législative de l'Ontario

Deuxième intersession, 35e législature

Journal des débats (Hansard)

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Loi de 1993 modifiant des lois en ce qui concerne les soins de longue durée

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LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON SOCIAL DEVELOPMENT

Monday 1 February 1993

The committee met at 1402 in committee room 1.

LONG TERM CARE
STATUTE LAW AMENDMENT ACT, 1993
LOI DE 1993 MODIFIANT DES LOIS EN CE QUI CONCERNE LES SOINS DE LONGUE DURÉE

Consideration of Bill 101, An Act to amend certain Acts concerning Long Term Care / Loi modifiant certaines lois en ce qui concerne les soins de longue durée.

The Chair (Mr Charles Beer): I would like to call this meeting of the social development committee to order. We are gathered, dear friends, this afternoon to hear from the minister and from officials from the ministry with respect to Bill 101, An Act to amend certain Acts concerning Long Term Care.

SUBCOMMITTEE REPORT

The Chair: Before we turn to the minister, I just want to report to all members of the committee that the subcommittee met on two occasions, and we need to have the approval of that report.

Mrs Joan M. Fawcett (Northumberland): I move the adoption of that report.

The Chair: Ms Fawcett has moved the adoption of the subcommittee report, which you should all have in front of you and which sets out the schedule of meetings between now and the completion of the committee's work. That being moved, all in favour? Approved.

I would just note that at the completion of hearings this afternoon, if the subcommittee members could stay behind briefly, there are a couple of matters I'd like to raise with you.

MINISTRY OF HEALTH
MINISTRY OF COMMUNITY AND SOCIAL SERVICES

The Chair: That being said, I'd like to welcome the Minister of Health, the Honourable Frances Lankin, to our hearing. Minister, we thank you for coming today and beginning these hearings with a presentation. I believe there are a number of members of the ministry who are also here. We welcome them, and if you would like to proceed with your opening remarks.

Hon Frances Lankin (Minister of Health): I will take the opportunity a little bit later in my remarks to both thank and introduce the various officials who are here from both the Ministry of Community and Social Services and the Ministry of Health. But joining me at the table right now are Gail Czukar, who is the legal counsel person assigned as lead legal counsel with respect to this bill, and Geoff Quirt, who is the acting executive director of the long-term care policy. Mr Chairman, you will certainly know Geoff from your past responsibilities in this area.

I intend to stay pretty close to the written text that has been circulated to you, which my staff think I can't do actually. It's unusual for me, but I intend to do that so that we can read into the record what we see as the prime reasons for the bill, what we hope to accomplish with the bill, and some areas where we expect that we will be hearing from people as they come forward before your committee and hopefully hear from you in your recommendations with respect to those areas as well.

As I indicated in the Legislature during the second reading debate on Bill 101, I'm certainly pleased to have this bill referred to the social development committee for review and I look forward to hearing the opinions of the members and the presenters as the public hearings proceed. It's certainly useful to have this opportunity to participate with the committee in examining these important amendments, and I look forward to the members' constructive suggestions for achieving our objectives in long-term care.

I'd like to begin by briefly outlining the purpose and scope of the bill and the consensus achieved on essential issues during the course of extensive consultations. If I might, I'd just comment that the consultations that took place were very broad across the province. There were thousands of people who individually presented their own views and who, on behalf of organizations and families of clients and care givers, came forward and took part. So we actually heard a tremendous amount during that period of time which is very helpful to us in terms of developing our overall approach to the redirection of long-term care.

The purpose of this bill—and I want to stress that this is only a part of the whole picture. I know that is an issue of concern for members of the Legislature wanting to see how it will fit within the whole picture, but I think that the five major policy goals that are set out in terms of the provisions of the amendments to the various bills are things that we can agree with up front, irrespective of what the overall redirection looks like.

Our first goal is to achieve equitable and needs-based funding for long-term care facilities. Currently, the funding arrangements differ for nursing homes and charitable and municipal homes for the aged, and there has been a great deal of work done on behalf of parts of the community out there with respect to this issue over the years and the need to bring about equity. Amendments to the current facility legislation will replace the existing arrangements with a consistent approach to funding which is based, in part, on the nursing and personal care needs of residents.

These changes will result in improved accountability in relation to both financial management and service quality and provision. Strengthened accountability to residents, to their families or representatives and to workers, as well as

to government, is the second goal that we've set out for ourselves in this bill.

The amendments also will result in a consistent facility resident payment policy, which is our third policy goal. Residents will be asked to contribute to their accommodation costs only. The province will continue to pay for nursing and personal care. Residents' ability to pay will be based on their income; assets will not be included. No one will be refused care because they lack income.

Bill 101 will also enable us to meet our fourth goal of establishing a single point of access to facility services. Placement coordinators will assist in streamlining and simplifying access to long-term care facilities.

Finally, our fifth goal is to be able to make payments directly to adults with disabilities so that they can purchase and self-manage their own support services. This goal addresses the essential importance to consumers of maximizing dignity and independence, which was stressed as an overarching need and preference of both seniors and adults with physical disabilities during the consultation process.

Bill 101 will amend the Ministry of Community and Social Services Act to create authority for the minister to make direct payments and enable us to meet that goal.

Bill 101 is an amending statute and it is the beginning of a reform process that will result in major restructuring of long-term care and support services for elderly persons, adults with physical disabilities and people who need health services at home. The amendments will enable the implementation of very specific strategies that will correct several long-standing deficiencies in services for elderly persons requiring residential care and the range of independent living options for adults with physical disabilities.

Again, I should stress for everyone that we see this as the very beginning. This is an amendment to a series of existing acts that deal with residential services in the whole long-term care field, and this is only part of the overall policy response to the redirection of long-term care that the government will be bringing forward.

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For example, the bill does not address new models for local community planning and the integration of health and social long-term care and support services. That's apart from the purpose we have here. We do expect that there will be further legislation that will be brought forward in a second phase of legislative action around long-term care redirection.

You will recall that I indicated in my statements to the Legislature in November and December that a report on the highly successful public consultation and the resulting policy decisions would be ready for release in January. Mr Chairman, given your extended involvement with the long-term project, I know you will appreciate the amount the time, energy and detailed work involved in a reform of this type.

As the Ontario Community Services Association said in its brief on redirection, "We have a once-in-a-lifetime opportunity to get it right," and we certainly intend to live up to that mandate.

Although we're very close to finalizing the policy development process, we are now targeting the end of March for the release of our public document. In the meantime, work continues on a number of fronts, most importantly with the district health councils, which will be key players in implementing policy decisions and doing the planning work on the local level.

I've already asked the councils to assume the lead role for long-term care planning in their communities. They will be restructuring their long-term care planning capacities to bring in the full spectrum of stakeholders, including representatives of municipalities, social service planning and delivery sectors and consumers. DHC long-term care subcommittees will undertake the developmental work required to create local, comprehensive multiservice agencies that, when fully implemented, will integrate case management and service delivery functions to provide consumers with a single point of access to a full range of long-term care services.

Planning is also under way now for a conference soon after the release of the policy paper and implementation guidelines. The conference will provide an opportunity for key stakeholders in the redirection to roll up their sleeves and work together to develop the next steps of the redirection process.

Bill 101 reflects the outcome of the consultation with service providers and consumers, who, along with the members of the Legislative Assembly, have been called upon during the past decade to consider and comment on proposed strategies for reforming the nursing homes and homes for the aged programs, particularly in the areas of funding, resident payments, access to services and assuring quality of care and financial accountability.

From the perspective of the consumer, advocates and the general public, the consensus has always been that it is the obligation of government to ensure that the residents of these homes are treated equitably, that the highest quality of care is provided and that financial accountability for public funds is achieved. Consensus has now been reached among service providers, residents, their families and representatives and the government on the need to adopt a consistent approach to funding homes and resident payment policies. This was the message to us during last year's public consultation, in which 75,000 people participated in some 3,000 local meetings across the province.

Since the introduction of the first attendant care program in Ontario nearly 20 years ago, increasing numbers of adults with physical disabilities have demonstrated their ability to live independently when the appropriate supports are available. For some time now, many consumers have been stressing their desire to have more control over the services they use and indicating their willingness to take responsibility for their own service arrangements.

Over a number of years, individuals and consumer groups have submitted proposals to the government, and consensus has been achieved on the benefits to the individual and the government of the direct funding model of service. The arguments are sound. We have heard them, and we are now acting on them by creating a new authority for the direct funding service model through an amendment to the Ministry of Community and Social Services Act.

At this time I would like to review in further detail what Bill 101 will change in current facility services and how those changes will be made. Later this afternoon our legal staff will provide you with a technical explanation of how these and other changes are achieved within each statute.

First of all, amendments to the Nursing Homes Act, the Charitable Institutions Act and the Homes for the Aged and Rest Homes Act will change to provide provincial funding arrangements, resident payment schemes, access to facility care, and requirements for accountability to consumers and government.

Turning first to funding, the three distinct funding methods currently in effect for nursing homes and the two types of homes for the aged will be replaced by a uniform funding scheme for all homes. In the present system, one home caring for an elderly person with high levels of personal care and monitoring may receive less provincial funding than another home caring for a person with exactly the same level of need. It's certainly not fair to either the residents or the operators.

Bill 101 will change that by establishing a common approach to funding all three types of homes which will achieve consistency in the amounts of provincial funding available to each home for the provision of care and services to residents. The existing extended care per-diem scheme, the cost-sharing arrangements between the province and charitable and municipal homes for the aged and the extended and residential care levels will be eliminated and replaced by a new funding scheme and resident classification procedure.

The new levels-of-care funding methodology bases funding levels in part on the actual nursing and personal care needs of residents, as determined through an annual classification survey of all residents of homes. The classification, as I'm sure you are all aware, is based on the Alberta classification tool, which has, however, been adapted and modified for use in Ontario. Each year, the results of these surveys will provide a basis for calculating the portion of the total provincial funding available that is to be provided to each facility to meet the mix of resident nursing and personal care needs. Separate amounts will be allocated to all facilities to assist with the cost of programs and accommodation for residents. With the introduction of the levels-of-care classification scheme, for the first time in Ontario we will have a method of documenting the changing needs of the residents of nursing homes and homes for the aged. And that's the first step in creating a more responsive, needs-focused system of facility care.

Bill 101 will change the current schemes for charging residents, which vary significantly depending upon whether a person occupies a residential or extended care bed. In some cases now, residents are charged not only for their accommodation but also for essential care. Two elderly persons with identical needs may be charged at two different rates depending on the type of home or bed they occupy. In addition, both income and assets are assessed at present in determining the ability of the resident in a residential care bed to pay, whereas every extended care resident would pay the same standard rate. Some residents may have to deplete their assets; for example, sell a home. Others may have their assets attached by the home for the aged to cover the cost of their care and maintenance.

The amendments will enable us to achieve our objective of establishing for all homes a uniform scheme for resident payments and to eliminate the current lack of equity in how and for what items residents are charged. Residents will be expected to contribute to their accommodation costs only, that is, for room and board. No charges will be permitted for provincially funded nursing and personal care and services. The current means test of ability to pay will be replaced by a simple, straightforward test of income. Residents who indicate that they cannot afford to pay the full accommodation fee may request a reduction in the rate.

For most residents, the income test applied will be based on whether the person receives the federal guaranteed income supplement and the amount received. The amount of the GIS received would be established by having the person provide a cheque stub or letter from the federal Department of Health and Welfare. The greater the income supplement, the greater the reduction in the fee. Where residents are not able to pay the full cost of accommodation, the province will provide funds to the home to cover the balance of the resident's payment for his or her accommodation. An alternative form of income test will be used for a small number of persons such as immigrants with limited means who would not be eligible for the guaranteed income supplement or other forms of assistance, since they do not meet residency requirements. As I stated earlier, no one will be denied care because they are unable to pay.

I would like to note that all residents will continue to retain a personal needs or comfort allowance for discretionary spending. This allowance is currently $112 per month and will not be affected by the amendments.

Bill 101 will result in a significant change to the way in which a consumer obtains access to care in a nursing home or home for the aged. After many years of listening to the pleas of elderly persons and their spouses and other family members for some mechanism that would help them locate appropriate residential care in a timely fashion, Bill 101 is responding.

The amendments will establish a province-wide system for coordinating and managing access to facility services that will enable us to achieve two fundamental objectives. We want to ensure that those in the greatest need have a priority of access, and, second, that all community-based service options are explored prior to facility placement.

Accordingly, the amendments assign these responsibilities to a placement coordinator, designated by the minister, and enable the establishment of a uniform system of local placement coordination that will make these objectives a reality across Ontario.

Finally, Bill 101 will change substantially the accountability relationship that the home has with the residents and their families or representatives, and with government. The amendments will introduce for the first time in Ontario a consistent framework for accountability in all three types of homes and enable us to achieve our objective of

enhanced accountability to facility residents and the taxpayers of Ontario.

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The key components of this framework, which were outlined in some detail during the second reading debates, consist of new requirements that all homes enter into a service agreement with the province which will set out the care, programs, accommodation, services and goods to be provided to residents and the amounts of provincial funding.

The service agreement will require that homes comply with the standards set out in a new program manual that is being developed in collaboration with advocates, consumer groups and service providers. We anticipate that further refinements will be made to the manual after stakeholders have had experience using it.

We'll develop a plan of care for each resident admitted to the home. The resident and his or her family or representative must be involved in the development of the plan, and the amendments also contain a specific obligation for the home to provide the care that is outlined in the plan.

We'll also provide for the development and implementation of a quality assurance plan. Our intent is to ensure that the home involves staff and residents in the development of the plan.

Homes will also be required to meet enhanced standards for care and services, meet enhanced financial reporting and reconciliation requirements and comply with specific obligations to share information with residents, their families and representatives and staff of the home as well as government.

I would like to take a moment, Mr Chairman, to expand a bit on the requirements to share information with residents, as I believe that unless we make it possible for residents, their families and their representatives to understand and assess what a home should be doing or is doing on their behalf, with their contribution and that of the taxpayer, we will have done little to reduce their vulnerability or to empower them in their dealings with the home.

To ensure that essential information is provided, homes will be required to give every resident a written notice outlining the accommodation, care, services, programs and goods the home is required to provide under the act and service agreement and the resident's right to request access to and an explanation of his or her plan of care.

The written notice must also identify procedures for a resident to make complaints regarding the maintenance and operation of the home, the conduct of the staff of the home, the treatment or care received by the resident, and any additional matters that would be set out in the regulations.

The amendments also require that the homes post within the home a copy of the service agreement between the home and the province, copies of certain financial statements and other documents, and information as required by the regulations.

Finally, in order to ensure that these requirements are met, the amendments will establish a uniform system in all homes for monitoring, assessing and achieving compliance with the act, the regulations and the service agreements. It will enhance powers of inspection and will improve the range of sanctions for non-compliance that are available to the government.

I'll just comment at this point that members might know there's a very different approach in terms of monitoring and ensuring compliance currently in homes for the aged and nursing homes, and powers of inspection differ greatly. This will bring about some enhancement and uniformity across the system. The approach to monitoring will continue to be based on a consultative, collaborative relationship between government and the service provider.

In closing, Mr Chairman, I'm certainly willing to respond to any issues and questions that are raised during the course of this process. I wanted to comment that during the second reading debate I listened carefully to a number of the concerns that were expressed by members. Comments were made about the fact that we're proposing to describe the rules governing day-to-day operation programs in regulations, in the facility sector in particular, rather than in the acts themselves.

I want to say that I understand this concern and I'm sensitive to it and want to work with the committee in terms of its recommendations around this. I think there are some areas in which it is prudent to allow the system to work under the new regulations and the provisions and to have the flexibility to adapt as we go along, and there are other areas where we will want to make sure that the concrete consensus that has developed is enshrined in legislation right from the beginning.

I think, for example, with respect to some of the funding mechanisms under levels-of-care funding that as we experience this and work with the homes in this kind of major change, it is most prudent to have the actual formulas set out in regulations so that there is the possibility of responding to needs in the sector, as we have done in the past. I would point to the kind of bridge funding mechanisms that we've put in place in the past year to try and assist the sector during very difficult financial times, particularly in this case the nursing homes and charitable homes for the aged sector.

We were able to do that through regulation changes. If those mechanisms were enshrined in legislation, it would take an act of the Legislature, and we know the length of time that would be involved in that. I think in some areas we need to be sensitive to the need for that flexibility, while ensuring that as much is put in concrete legislative language as possible so that our main concerns as legislators are dealt with.

One of the other areas that I know was raised, a particular comment by members during second reading debate with respect to this concern about what is in legislation versus regulations, was the issue around eligibility criteria for admission to both the facilities and to any kind of direct funding project for adults with disabilities. In this case, I would say again this is something we want to continue to work with in a consultative way, and I think we're most able to do that if we are dealing with regulations.

Particularly, let me talk about the direct funding. This is an area where we have taken the step of saying that we are going to do this, but we want to work to develop it in conjunction with constituents from that community, persons

with disabilities who have been living with attendant care, who can best describe to us what their needs are and how the program needs to be designed. They have expressed very directly their desire to be involved in the design and in the testing and in the monitoring and evaluation of any programs such as this. If we were at this time to attempt to establish the eligibility criteria and write them into legislation in the fullest of descriptive ways, we might find ourselves bound in a way that doesn't give enough flexibility for us to monitor and evaluate and to change.

However, having said that, I will certainly be prepared to give full consideration to any suggestions that emerge over the next few weeks in this area in terms of the sensitivities of legislators with respect to that balance between legislation and regulation, and of course in terms of other areas that come forward from those who have been presenting to the committee.

I'd like to take an opportunity to introduce the staff from the ministries who will be involved in this project or this bill as it goes forward and who will be participating in the hearings as you receive the technical briefing and hear from members of the public.

I've introduced Gail Czukar. She's from the Ministry of Health, legal services branch, and as I said, is the lead counsel for this project. Ian Matthews, who's sitting in the front row, is counsel from the legal services branch of the Ministry of Community and Social Services. Geoff Quirt, beside me, is acting executive director to the long-term care division, and Patrick Laverty, in the front row, is director of the long-term care policy branch. Just behind Patrick is Louise Hurst, policy coordinator for legislation development. In terms of my staff, Peter Block is my legislative assistant who will be working with you, and Lin Grist is a policy assistant, long-term care, from my office.

I want to thank all of these people, and others who've participated in the policy and legislation development process, for their hard work and persistence in helping me to bring forward this legislation.

I share the conviction of the Ontario Community Services Association about the need to seize this once-in-a-lifetime opportunity to get it right. What we need to do is get it right for consumers, many of whom have told us that they feel as if they've been waiting a lifetime to see the goals of more equitable funding, greater accountability, consistent residents payments, improved service access and independence and dignity become a reality. I hope that Bill 101 is our opportunity to do just that.

Mr Chair, I'd be pleased to both listen to and answer any questions that I can that may come from other members, and I would take the opportunity also to rely on ministry staff who are here to assist me with answering any questions.

The Chair: Thank you very much, Minister. I understand as well that at some point you will have to leave for another meeting, so my thought was that we would first move to the two critics and let them express their thoughts, ideas, questions, whatever, and then take questions from other members of the committee.

Just in terms of having a sense of time, what time do you feel you would be able to stay here for, another hour?

Hon Ms Lankin: About 45 minutes, if that meets the time. If that puts too much pressure on the two critics, then I will extend my time here and just be even later for the other meeting.

The Chair: If it's agreeable with the critics, perhaps we'll start with providing 15 minutes to each of the critics and then we'll move to questions from members of the committee. Okay? Ms Sullivan.

1430

Mrs Barbara Sullivan (Halton Centre): We are pleased today to start what will clearly be a well-attended group of public hearings with respect to this piece of legislation. I think one of the reasons the committee meetings over the next few weeks will be well attended is that there is considerable confusion and some concern about where in fact the government is going in terms of its long-term care plans, and whether in fact those ultimate policy decisions and implementation decisions will meet what are seen to be real needs in the community.

This bill, having come forward, speaks really to one or two small components of long-term care reform. I want to speak specifically about Bill 101, the level-of-care funding issues, but as well about how difficult it is as a legislator—I think people on all sides of the House will find this to be the case—dealing with this particular bill in a vacuum, without the combined sense of what other portions of long-term care policy will be implemented and placed on the table, when they will be implemented and how they will be implemented, and what that will mean in terms of delivery of care, either in the home or in a facility, over the longer period, and how demographic change and other change is taken into account, whether it's a structural change in the health care industry itself or changes in delivery of services in the community.

How those issues have been taken into account very much impact on our assessment, frankly, of the viability and usefulness of this bill.

My party, in the past, has clearly subscribed to the concept of the need for level-of-care funding as part of the continuum of service in facility-based care. We concur that the right services should be given at the right place by the right person—I think the coalition of seniors coined that phrase—and that studies in the past have shown that the acuity of patients in a nursing home or in a community or municipal home for the aged or a charitable home for the aged is not much different. I think statistically there is some difference of about 17%, but it's not substantially different in terms of care needs.

What we see, however, in this bill is a number of components associated with equalizing service or ensuring equitable service delivery between those two types of facilities being proceeded with without the other information and data or apparent government support for other services in the long-term care field.

When we looked at this bill in the beginning, believing that this was going to be the only long-term care legislation on the plate—although I understand that some of your officials, although not you, have said that is not the case, that we will be having another long-term care bill latterly,

although not in this session—we had to look at it and say, "What's being left out?" other than the one or two very short, curt statements of intent with respect to palliative care, which were welcome but not explored in any way.

The chronic care role study, a singularly important component of long-term care health service delivery has been left out. The role study is not available; therefore the issue is being left out of the discussion. The issue of rehabilitation, the institutions and the cooperation between community-based rehabilitation services and those services which are contracted for delivery within facilities has been left out.

We have, in this bill, discussion of the placement coordinator. There is no sense of where that placement coordinator will fit in terms of, by example, the discharge planner in the hospital and other community services that are in place, depending on the community in Ontario in terms of finding appropriate places for people who require care.

We see in my community, by example, that we have placement coordination services. We are one of four in the province which has an independent board of directors. We don't know if that is what you are contemplating as the direction for the placement coordinators, or are you looking at something completely different and new and that the kind of placement services offered in my area will be thrown away and a new base come forward?

We've seen no indication, by example, of where you're going in respite care. We know there is going to be increased dependence on care for seniors or others who require long-term care from their own informal care givers. We don't see any indication of how the integration of the facility-based services with respite care in the home or in the community will proceed. We see no direction or discussion at all of the requirements for dental care services, although we know it is anticipated that will be included as part of a service agreement, no discussion of to what level, of what concern of the current residents will be met, and similarly with lavatory and pharmacy services. Assistive devices fit into the same strain.

We see no other—I think this is a key issue that has not been adequately addressed in any way to this point—indication of how community-based services will be enhanced, and I think that's a clear lack. We want to be very certain that some of the studies that have taken place in America which show community-based services frequently being an add-on rather than an alternative to facility services—they have in fact increased health care costs.

If community-based services are going to be very much a part of the long-term care strategy, then we should already have had, first of all, a policy indication from you as to where we're going in that area, and secondly, an indication in terms of dollars that the enhancements are going to come forward.

Home care in virtually every community in Ontario has gone through a period of shrinkage in the ability to provide services, and if there's going to be a heavier dependence on community-based care, home care and other care which is delivered through service agencies in the community, then we'd better see first of all the policy statements and the money that goes with them to ensure they're in place.

We see, as we're looking at this particular bill, a lot of problems in that so much of it will be prescribed through the regulations. We see that those regulations will prescribe everything from how a person can be admitted to what can be charged to what the grounds for refusal are. We see no basis of appeal in any of those circumstances. The criteria, the process for the determination of eligibility, all of that is done through regulation.

We don't see, because it's not before us, the kinds of standards that are going to be required from nursing homes and from homes for the aged, how the accountability is going to be enhanced or perhaps detracted from.

I suggest to you, by example, that most homes for the aged have independent boards of directors. Where will they fit, given a new service arrangement that is now going to be prescribed by regulation and around which there is going to be very little freedom for discussion? It's going to be a reg. They're going to have to comply. What happens if there is a conflict between the accountability methods required by the new regulation and the accountability required by the existing board of directors?

We see that your bill emphasizes a quality assurance program in these institutions and I'm asking you, frankly, if the legislation in fact is talking about the right quality programs. I'm wondering if you don't mean a CQI program rather than a quality assurance program. They're very different things. It seems to me that if we want an emphasis on improving quality, then we've used the wrong words in the bill, and I think that should be addressed directly as we go through this process.

1440

The service agreement is also problematic, once again not being a public document at this point. My understanding is that there are some drafts circulating, but they certainly have not been made public outside the industry. It appears that there's no appeal or no other method for public interjection into the approach and drafting of those service agreements. One doesn't know, by example, if there will be independent service agreements with each facility that are substantially different from another facility or what will be the common threads between them.

We don't know what upper end there is, by example, on the requirements of a facility to provide service. Through the service agreement, will the ministry be able to require a facility to provide health care and medical service delivery above and well beyond that which is required now and that which is now offered in either the acute or chronic care setting? Those kinds of issues will all be included in the regs, but we have no opportunity to look at them and discuss them in a more complete way.

I'm sure that people in the industry themselves, as well as consumers, will be asking those very kinds of questions: What levels of service will you expect? How will they be changed? Where will you be requiring homes to usurp what has been traditionally seen as the responsibility of an acute or chronic care facility?

I am disturbed that chronic care, although clearly a long-term care facility, whether it's delivered in a hospital

that is exclusively a chronic care hospital or whether it's delivered in association with an acute care hospital, is in no way addressed by this bill and appears not to be addressed through other areas so far that we've heard you speak of with respect to the long-term care strategy.

We understand that the current thinking in the health care industry is that this government has made a mess of its planning at the Perly Hospital in Ottawa, and that this is the generally accepted understanding of what has occurred there. We will have representatives from the Perly speaking with us. The sense, among certainly the chronic care industry experts, is that the government's approach to chronic care is without much understanding of what in fact chronic care institutions and facilities deliver and why they need to deliver those particular services.

In my view and the view of my party you cannot talk about long-term care without discussing the chronic care issues, where there are enormous acuity needs, and we just don't see that addressed here, nor have we seen that addressed in any other approaches to your policy.

I've been very interested recently in hearing from people from all parts of Ontario who are very unsure about what your intentions are with respect to the placement coordinators, who they will be, whether they will be individuals, whether they will be groups and agencies, how they will be selected, what qualifications or training will be required of them, what their mandate will be and how it will be delivered, whether it will be delivered on a geographic basis or whether the mandate will proceed beyond geographic boundaries, what community will be served and what their link will be with other long-term care facilities, including home care, respite care, the community-based, agency-delivered care.

Integration with the central community service agency is also very problematical and not well understood. Frankly, I have yet to find anyone who can answer those questions in any detail in order to translate them to the community.

There is enormous concern about what your intent is in putting the continuum in place, where the district health council, given its current mandate, which is a very limited one—it's legal mandate, I should say, which is a limited one—will in fact direct the policies associated with the placement coordinators and the multiservice agencies.

Will the coordinators be located simply in each facility? Will their responsibilities be broader, integrating with the single-access agency? Where does the DHC all fit? When will that system be up and running? If you have level-of-care funding, presumably with a legislative mandate, by late spring, when will you be able to then in fact ensure that what has become legislation is implementable? We will have none of the answers to those questions.

We know in the past that there has been difficulty in terms of the funding of inspectors for the nursing home sector, and we see additional requirements by regulation in this bill for inspection of not only the nursing homes but the chronic care facilities, which had a different mechanism in place in the past.

We have seen no commitment to incremental funding within the ministry for a revised inspectorate and revised numbers of inspectors. If one were to combine the totals of institutions we would be looking at that would require inspections, I think we'd be looking at in the nature of some 500 individual places. Where will those inspectors come from and how frequently do you expect that they will be monitoring the standards and quality within those institutions and facilities?

The Chair: Mrs Sullivan, if I could ask you just to—

Mrs Sullivan: Just to sum up?

The Chair: —sum up.

Mrs Sullivan: Clearly, there are a number of other areas that I think will come before this committee which are highly pragmatic issues associated with this legislation. The issues that surround this bill are not issues of great philosophical debate. These are highly pragmatic questions that are coming from seniors, from people in the Legislature and from people in the community. Because this bill is presented in such isolation from the policy surround, which itself becomes a pragmatic surround, the questions are very much on the table. We certainly hope that during the course of these hearings and even this afternoon we may have some response to those.

Mr Jim Wilson (Simcoe West): With the committee's indulgence, and the minister's, since many of my concerns are identical to those expressed by Mrs Sullivan—very ably, I may add—perhaps I could just take a very few brief moments to put those on the record and then have the minister respond to them all at once.

I'll talk also, Minister, about some of the things that are missing at this stage in the intended funding formula. Currently there's no requirement that funding be proportionate with the level of funding required to provide services outlined in service agreements. As has been said, Bill 101 requires service agreements between each home and the government and between the home and residents, and residents will also be provided with the overall service agreements between the homes and the government. The service agreement will make it clear what services are to be provided to the resident by the operator of the facility. Nursing home operators fear that without a formula that requires the government to provide a proportionate level of funding, they could find themselves in breach of agreements and facing lawsuits.

The government at this stage has not provided what the industry calls the case mix index. I'll just put that on the record to note.

The funding allocations discussed in your government's long-term care redirection paper that was released in October 1991 are vague at best. Again, the document does not provide figures on current spending. It also fails to break down the $647 million total it says will be spent on long-term care by 1996-97.

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This legislation sheds no light on how these arrangements are to work. The government has promised a little over $200 million of the $647 million to nursing homes and homes for the aged, and the government believes that they will be able to generate $150 million of this $200

million through increased copayments for user fees which are attached to accommodation costs.

At the same time, Minister, you've been making a big deal out of the fact that residents will not have to pay for nursing and personal care services in homes for the aged or nursing homes under the proposed scheme. I believe that the reality is that for most residents, they're now not required to pay for these services under the current funding system because we have extended care programs.

A number of groups have expressed to me scepticism over the government's ability to raise this $150 million through the proposed accommodation copayment increase of $11 a day. The Ontario Association of Non-Profit Homes and Services for Seniors calculates a net gain of only $64 million using the government's own data. This is $86 million short of what the government expects to generate.

Bill 101 requires each home to develop quality assurance programs. Quality assurance is a management approach and studies have argued that quality assurance does not improve the quality of care for a patient in a hospital, for example. Instead, many hospitals now use the total quality management approach which has been proven to improve patient care, and the Ontario Nursing Home Association believes that the quality assurance approach is outdated and conflicts with other management processes used in hospitals and nursing homes.

The legislation has proposed the creation of placement coordinators who will determine eligibility for placement in a facility. The legislation does not indicate who will conduct pre-admission assessments on potential residents, a necessary step in the placement process in both the nursing home and homes for the aged sector, and the Ontario Medical Association has expressed that point. The legislation is unclear about what happens to existing placement services, that is, whether the services will function together or whether the placement coordinators replace the current services.

There's a very loose definition of eligibility, which I hope to take up with your technical advisers later this afternoon. The consumer's ability to appeal the decisions of a placement coordinator seems quite limited. A consumer may appeal a decision under Bill 101 only on the ground of eligibility. The Ontario Nursing Home Association is also concerned about the degree to which the facility's administrator will be allowed to make determinations about the care of particular residents or refuse applicants if warranted. Presently, administrators decide whether or not their facility can care for an individual, where that resident should be situated, with whom he or she could share a room etc. The proposed bill would remove an administrator's ability to refuse an applicant.

Most importantly in this area of concern from the Ontario Nursing Home Association and homes for the aged and charitable homes are the sanctions that are envisioned under Bill 101. The sanctions can be applied for being in breach of a home service agreement, freezing admissions by directing placement coordinators to assign applicants elsewhere, reducing or withholding payments or suspending or revoking approval to operate. The legislation does not provide operators with an appeal process, should they feel sanctions have been improperly applied. Financial sanctions could impact significantly on other residents of the facility.

In regard to the private sector operators, something that wasn't addressed in your remarks, Minister, the nursing home association concedes that these institutions will likely be immediately in breach of service agreements due to their funding shortages. This problem must be addressed immediately or operators will find themselves in a potentially liable situation, and I'd like to get into that in more detail.

We're also concerned, the Ontario PC Party, that the legislation presents tremendous potential for action against private sector operators of nursing homes. Changes to the Nursing Homes Act will allow the government to provide capital funding for non-profit nursing homes, albeit this is consistent, Minister, with what you've said in the past and your government's preference for the not-for-profit sector.

There are several components within the field of long-term care services that have not been included in Bill 101; for example, rehabilitation, regulation of retirement homes, support for primary care givers, human resource management and training. Bill 101 allows for the hiring of inspectors to monitor the facilities' operations, and again the Ontario Nursing Home Association expressed some concern to me about its role—power, staffing etc—and is requesting a more in-depth explanation of the function of these inspectors.

Finally, and again to be brief, I would simply point out—and this is a series of notes, Mr Chairman—as Ms Sullivan did, that chronic care is not addressed at all and the role of chronic care hospitals remains unclear.

Minister, I want to read a couple of paragraphs from a letter from a registered nurse who resides in Simcoe county and works in Simcoe county at a home for the aged. Her concern is, and I quote:

"However, it is the disadvantages that I find alarming. First, will an elderly person and their family be able to choose the facility that they wish to be connected with? There is a human rights factor in there.

"Secondly, a good portion of the facilities will now have to admit patients that the facility is not physically equipped to handle. The government has not made any proposals that I am aware of as to how this is to be done.

"Thirdly, up until now patients with intravenous lines, catheters, oxygen tanks etc could not be admitted to nursing homes and especially not to homes for the aged. All of a sudden, as of April 1, 1993, these patients can be admitted to long-term care facilities. Has anyone given any thought to the staff of these facilities? All of the nursing staff in all of these facilities right across Ontario now must be updated in current procedures. I am not in any way denigrating either the staff or their abilities in the nursing homes or homes for the aged, but technology, especially today, is moving quickly, and a good many of us have not kept up except for that which applied to our field."

She goes on to say that the response from her county has been that she will have to upgrade herself on her own time and that indeed is a very serious concern of this particular registered nurse.

I believe Mrs Marland has a couple of concerns she wants to raise, Mr Chairman.

The Chair: Yes. I thought I might have two others who wanted to raise questions, Ms Marland and Ms O'Neill. Perhaps we could do that and then ask the minister to respond.

Mrs Margaret Marland (Mississauga South): Minister, I think when we're looking at those areas of accommodation that are addressed in Bill 101, we also have to recognize that some of these nursing homes do provide services for psychiatric patients as well.

I want to ask you very directly and up front whether your ministry is going to cut $45 million from the psychiatric hospitals' funding, because that is a rampant rumour right now that the Friends of Schizophrenia patients' organization in this province is very, very disturbed about. It is directly related to Bill 101, because if $45 million is cut out of the psychiatric hospital funding, there are people resident in those facilities today who are going to have to go somewhere else, and my concern is where that somewhere else will be. I want to give you the opportunity to say whether that's a rumour or not.

Another direct question: Is it really the intention of your government to get the private sector out of the long-term care business, the same as is the direction of your government with day care and housing? If that's the case, then I think the people in Ontario, in fairness, need to know that now, because I can't personally see where Bill 101 addresses some of the areas of concern that were raised during the public meetings on long-term care.

I personally attended a number of those meetings and I think the most poignant one was chaired in the Mississauga Hospital, the residents' council meeting there, by Kathie Harvie, a quadriplegic and a very active, capable, bright young woman who's been a resident of that hospital for some 14 years now. She's in her mid-40s.

The residents on that council at Mississauga Hospital were expressing the concern that there simply is not a solution for the philosophy of "Everybody can get out of an institution," and when we look at long-term care and we look at people with varying disabilities and to varying degrees, I think we have to know that the direction of your government is to provide more care and not less care, in terms of the people who really need a facility and don't have the option of coming home, as it were.

Coming home is an ideal goal for everybody, but it's not attainable for everybody unless your government wants to make the same mistake that our government made when we tried to close a lot of the psychiatric beds and put everybody out on the streets and we didn't have the home-based community support programs in place. People are very frightened right now because they really don't know what is in the future. As I say, in general they look at your day care and your housing policies and they think what you want is government-run everything, and it's not affordable for the taxpayers in the long run. I would appreciate it if you could address those two areas for me.

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Mrs Yvonne O'Neill (Ottawa-Rideau): As you can see from our critic's response, we have discussed this issue at great length within our caucus. I have looked with a great deal of interest at the district health councils' role in all of this, and the first thing that comes to me in my critic role is, the district health councils across this province to this point have never really been involved in social services. They've certainly been involved in health issues, but not in social services, and this seems to be almost a given here, that the district health council will have that other component to it now. I might like to give you the opportunity to comment on that.

I'd also like you to say a little more about the direction you've given the district health councils, because in the original statements of December you were suggesting that this be accelerated. As I understand it, that hasn't happened as quickly as was anticipated at that time.

My other concern deals with the municipalities, which again I feel today have not been mentioned at all. The municipalities are very key players at this time in long-term care. There has certainly been much actual funding that's been raised at the municipal level and directed to the integrated homemaker, home care and the actual homes for the aged. But the role of municipalities, certainly even in talking to municipal officials in several parts of the province to this point, is very foggy for them at the moment. I'd like to ask you to comment on that, because each time we come to the subject, there doesn't seem to be much attention paid to the partnership that I think will have to continue.

The third area that I would like just to present as we begin is, there are several spots where deinstitutionalization has not been as quick as many had projected. Of course, when we began that policy thrust, we did know that in some areas it would take 15 to 20 years, and we're in about year six or seven of that process. But there are many developmentally delayed individuals in institutions who somehow feel that the facility they're in is in great jeopardy. They have but two options: nursing homes that they don't think they fit into or group homes or their own home in their own community. So they feel very, very threatened, and they feel particularly threatened because, again, they're not mentioned in this legislation.

So I just bring those three things to mind: municipalities, institutions that are in the process of consolidating and the role of the DHCs.

The Chair: Mrs Fawcett, you had one point.

Mrs Fawcett: One very quick one, thank you very much. There has been a lot of anxiety expressed to me by homes for the aged and other similar facilities around the funding formula and when that will take effect. I know that they assumed it would take effect January 1, 1993, and then it was put off until March, and now I understand that it could be September. Right now, when budgets are of prime concern, and attempting to formulate budgets, it really is an anxious moment for a lot of them to know exactly when this funding formula will take effect and then

whether it will be retroactive. So could you shed some light on that, please.

The Chair: Minister, there are a number of questions and issues there, if you would care to respond.

Hon Ms Lankin: I think what I would like to do is deal very quickly with the specific questions that have been raised by Mrs Marland, Mrs O'Neill and Mrs Fawcett, and then speak more generally to the comments that have been raised by the two critics. Perhaps then that would lead naturally into other questions, if there are any, or into the technical presentation by the ministry. I'm going to go backwards in terms of the way the questions were posed.

Mrs Fawcett, with respect to the question of when levels-of-care funding would be implemented, we are still at this point in time anticipating spring, following passage of Bill 101. We will be giving notice to residents of nursing homes about the resident payment proposals so that they will know what is intended, but we will be stressing that of course it's subject to the discussions that go on through the committee hearings and final passage of the bill and what provisions are passed. But we're going to try to let people know what our intent is and what we're thinking about as we go through this process over the next couple of months.

On the question of retroactivity with respect to levels of care, I think that we are looking at what the current needs are across the sector in the three sectors, three types of homes. We have in the past addressed problems through various mechanisms of bridge funding. If that becomes a necessity, I think we would approach it that way, as opposed to retroactive application of the levels-of-care funding formula. But that is an item still under discussion within the ministry and with the industry.

Mrs O'Neill, with respect to the developmentally handicapped and the fact that they are not part of the client group that is contemplated for long-term care redirection, that in fact is true. That is the case. I think that, for historical reasons, when the governments of various types started looking at the nonsystem that we had for care for our seniors, the movement for reforming long-term care started with a focus there. It did expand over a period of time to realize that adults with physical disabilities, many of whom shared residential care in certain facilities and access to other kinds of programs like home care and others, were also an appropriate client group for consideration as we looked at reform of long-term care. The focus on those two client groups has in fact been the focus of long-term care reform discussion in governments for many years and continues at this point in time, although I think, as we went through the consultation, it's fair to say that we heard very, very clearly from the community, families and care givers for persons who are developmentally handicapped that this was a community and a constituency which also required a systems approach to a delivery of care and a continuum of care being provided, and that we needed to turn our attention to that.

The Minister of Community and Social Services has said on a number of occasions that she recognizes that and is prepared to start those discussions with that community, and that we may see at some point in time the convergence of policy development and care delivery. I think it's important to note that the money that has been budgeted at this point in time is money that has been budgeted for the original client groups for enhancement of services to seniors and persons with disabilities, and that we need, as we look to enhancing programs and services for persons who are developmentally handicapped, to look at the budgetary requirements there as well. I think it would be inappropriate to see that they would be folded in under the budget projections that currently exist, because we would not do service to any of the client groups in that situation.

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With respect to the DHC role, clearly, we're now starting to bridge and to talk about overall long-term care reform as opposed to the specific bills that are in front of us, and I understand the desire and the need for people to understand the connections. The role that we see for the long-term care subcommittees of district health councils, reformulated in terms of who's there around the table, is to be involved in the planning for the implementation of long-term care reform in their local communities. They know the people, they know the players. They can work with the various stakeholders to plan the timing and the direction of the reform and the implementation.

You commented that they'd never been involved in social services, and actually, in terms of the technical mandate that has been given to the district health councils, that's true. In terms of on-the-ground reality, in most cases that's not true. In most cases, they themselves have run right up against the need for integration on the ground of health and social services as they try to do planning around the delivery of care to people. With respect to long-term care, in fact that has been most obvious to the district health councils in the long-term care subcommittees. I think if you look at the composition of many of those committees, you will find that they overlap with councils for aging and social planning councils and others already there. There's been that tacit understanding. I think what we're doing is making it explicit and asking for a composition that very clearly reflects that kind of partnership of health and social services in the delivery of services to the whole person in the client groups with respect to long-term care.

Since the December announcement we have established a task force that involves ministry officials and a couple of executive directors from district health councils and from the Ontario association to talk about the scope of planning that we're requiring and what resources might be required by the DHCs and how we would fund that. We are bringing together representatives, delegates, from all the district health councils in about another month or so to have a full briefing on implementation and to get the process started.

I guess I should also respond to you on the issue around municipalities. It is clearly our stated intent that municipalities would be represented on the planning bodies, these long-term care subcommittees of district health councils, and that they are partners with respect to the

planning of the larger implementation of long-term care reform.

You talked about funding partnerships. Essentially, in the programs that are currently out there in the community, like home care or integrated homemaking, there isn't a requirement for municipal funding. There is, as you know, a requirement for funding with respect to homes for the aged, and we don't see any additional burden being given to the municipalities through any of the reforms that we're suggesting with respect to Bill 101.

Ms Marland, I think you addressed three main issues. Let me first of all speak to the issue of not everyone being appropriate for delivery of services in their homes, in their community, outside of some kind of a residential facility. I think we are very sensitive to that. What we are attempting to do is understand that there really is a continuum of care that is required, and while we have pieces of it in Ontario now, we don't have good linkages and we don't have the sense of the continuum, that people can enter and exit various points of the system at appropriate times to get the care they require at that point in time.

I think we understand that there will always be some people who will require the support of residential facilities and an adequate supply of services delivered in that venue. From all the work that has been done over the years preceding our government, I think we believe that there is room for many more people to be taken care of through community-delivered services in their homes than have been in the past. I think that's the point we want to make through the enhancement of those services, that we may be able to provide appropriate services that will help some individuals maintain home living arrangements where they might not have been able to in the past.

There may also be some people who are currently either in chronic care beds or in nursing homes or homes-for-the-aged beds who may be able to be taken care of in a different kind of setting: for example, a chronic care patient who might actually be able to be taken care of in a residential facility or someone who is in a residence who may be able to be taken care of in a supportive housing arrangement.

We hope that by building up some of the other pieces around the long-term care facility sector, the three types of homes that are in existence now, which is the focus of the legislation in front of this committee, that we will in fact develop the continuum which will allow us over time to be able to make the appropriate assessment with individuals and their families of their needs and help them along that continuum where those services are best found.

It is not an attempt to force people to their home or their community as the preferable or the only way of delivering care. It is to find what is preferable and appropriate for the individual and their circumstances, medically, physically and socially. I think that all of those things need to be considered.

With respect to the issue of the private sector and what is the future of the private sector, I think I have been very clear in terms of a preference for not-for-profit delivery of services. As we look at health care changing and as we see more and more being done outside of the historical program of medicare, which is based on principles in the Canada Health Act and which also has public administration as one of those principles, I think there is a consistency to seeing that as a preference for a model of delivery throughout the range of our delivery of services.

I've been also very clear with the nursing home association that I don't intend to do anything to destabilize the existing system and to create a crisis in which we end up with all sorts of homes that are unable to continue to operate and residents who are then faced with changes in circumstance or location. I think that managed approach to change is always important. In this case I think that we can look at growth in the future being in the not-for-profit sector and policies which allow and support that to happen but which don't destabilize and disadvantage the existing private sector involvement that is there.

You also asked specifically about the $45-million expenditure reduction target for psychiatric hospitals. As you may know, this is pre-budget time and this is a time in government where all ministries are going through the development of their expenditure projections, their estimates, to be submitted to treasury board and for budget preparation. The Ministry of Health is certainly going through that process. We are looking at targets for expenditure reduction across a number of parts of the ministry's budget, as well as looking at internal reallocation goals.

With respect to psychiatric hospitals, in general I can tell you that there are no final decisions with respect to estimates. It goes through a process of approvals which is not completed yet. With respect to psychiatric hospitals, I have held meetings with some administrators and with representatives of some of the local unions from psych hospitals and have indicated that we are looking over a number of years at a target of reductions which I don't think will approximate $45 million, but we started with that as a target. That certainly wouldn't be in one year.

We have stressed both planning that is consistent with the Graham report and the strategic planning which has been going on in the psychiatric hospitals, planning that is consistent with workers following their clients into the communities, if that's where they go, planning that is consistent with cuts being taken in those areas of inefficiencies and administration and within the psychiatric hospital system as opposed to affecting front-line delivery of service and attempting to keep those principles in place as we look at, can we do a better job with the resources or can we do as much with fewer resources as well.

That's a larger-picture challenge to the government as we deal with the fiscal context we're in, but I think that—

Mrs Marland: Essentially, you haven't made a decision yet.

Hon Ms Lankin: No, and I think your comments with respect to ensuring that it's done in a planned way, so that patients aren't dumped into the community without supports, is a very, very appropriate warning to be made.

I can tell you a couple of the things that we are looking at. For example, in London and St Thomas we have talked about the fact that we have two psychiatric hospitals with a decreased number of inpatients and more work being done on an outpatient basis. Two physical plants, is there a possibility

of amalgamation of administration? They're 14 miles or kilometres from each other. There's the possibility for doing things better.

Those are the sorts of things that we're looking at in this point in time, but there is not a decision that has been taken and any decision that would be taken would not involve taking $45 million out of the system in one year, which would lead to the kind of cautions that you have raised.

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In general, let me say that I appreciate tremendously the comments that have been made by both critics. I think the questions you ask in fact are pragmatic, to pick up on the terminology that Ms Sullivan used, and I agree that we are all interested in putting together, in an overall sense, a system that works for Ontario. I look forward to your continued advice with respect to that.

I do want to say that there is in my mind a very clear distinction in the task that is asked of this committee with respect to reviewing Bill 101 and the amendments to the existing pieces of legislation that govern the three types of homes for residential care that exist in Ontario and the broader long-term care reform in those initiatives.

This reform of the system will not happen overnight. It will not happen even with one framework document that sets out our thinking about the linkages of the system. There are many pieces that will continue to be worked on and to be developed and to be implemented. I think we've tried to give some sense of the direction and the vision that we have, but the pieces that are before us here today, quite frankly, are ones that would be important even if there wasn't going to be overall systemic reform in the area of long-term care: bringing out equity in the funding formulas, bringing about accountability to residents and their families, bringing about consistency in terms of resident copayment policies. These things, I think, are all laudable goals in and of themselves and can stand outside of the more comprehensive reform that we have envisioned for long-term care.

Many of the questions that you have asked with respect to the bill and the amendments that are proposed, I think, are ones that can be answered as we go through the technical briefing. I will also ask for the transcript of your remarks today and be able to provide you with some more specifics with respect to the things you've raised, because I think that with respect to the bills, they are important.

For example, we will be providing you with copies of the draft standards manual. We are consulting. This is something we are working on. What you get will be something that is in development with the communities at this point in time, but your comments too would be helpful. There you will see such things as reference to the policies around the number of beds that will be maintained for respite care. We do see the connection. Some of the other comments that you've made about the role of chronic care facilities and what will happen in the future are critically important questions for us in the system. Again, they don't, I think, directly need to be answered before we can deal with the amendments before us.

We do expect the chronic care role study to be available in February and I do think it is a very important piece. There are certainly linkages, and I take the points made about the shifting of some patients to a residential setting by changing some of the rules of what services they're allowed to provide; specifically, for example, the use of oxygen and catheters and some of those things that we think can be done in a facility as opposed to having to be done only in a hospital if we provide the changes in the legislation.

Training for staff will be an essential, and that's a subsidizable cost under the funding formula, as well as the kind of money that we've put into training for palliative care, which will be available to staff in the residential facilities as well.

I do think that there are answers to most of the questions with respect to the amendments in Bill 101. I think there's room for debate and discussion, and I'd be certainly pleased to continue that through the course of the hearings and to work with you to improve the bills where necessary to ensure that we're getting the best we can.

But I urge people again to understand that this is only—and I understand that this is only—one part of a very large system, that system reform will take much longer than this one piece of legislation will take before the committee and the House and that we will continue to work and to roll out pieces of the reform over the next period of time.

The Chair: Thank you, Minister. Mrs Sullivan and Mr Wilson, I will just give you an opportunity for one short final comment, because I know the minister has to leave.

Mrs Sullivan: I have two quick questions that can only be placed to the minister. First, will there be other long-term care legislation coming forward, and when are we likely to see that? Second, if there is other long-term care legislation coming forward, why this bill now when in fact much of what's included in this bill could be done through the regular contractual negotiations with the sectors involved?

Hon Ms Lankin: It is my anticipation that we will have further long-term care legislation. I actually made that comment in my opening remarks. I cannot give you timing at this point in time. The fall, next spring would be a very rough estimate, and I will have to ask not to be held to that, because I think at this point in time it is premature for me to actually know when we will be bringing it forward.

I see that focusing on some of the broader issues around the planning, the community organization of delivery of services in a different part of the system than the bill that is before us here today. I think there is reason to bring this forward to the legislative process instead of just through contractual negotiations, because it is a direct change in terms of how we're funding our homes, bringing together the equity and the funding policies with respect to three types of homes.

I think it is a change in terms of some of the service accountability issues that we will be demanding of service providers. Some of the issues around placement coordination

are a departure from the past in some parts of the province, although not in others, and I think they are worthy of having the more concrete and focused advice of consumers and care givers and people from the community and legislators than perhaps we've been able to have during the broader consultation on long-term care reform.

I also think that the promise of an equitable funding formula has been out there for a long time, and moving to levels-of-care funding has been a goal for some considerable period of time under the previous government and under this government, and I think while we are developing what I think is a much more substantial and large-picture reform for the system of long-term care than existed in government before, it is important to move ahead, however, on some of these outstanding commitments to try and address inequities that can be addressed as standalone pieces.

Mr Jim Wilson: Thank you, Minister, for your comments this afternoon and for your time.

Just going back to your comments regarding levels-of-care funding, it strikes me that there's a limited pool of money available to the nursing home and the two types of homes for the aged sector. I guess there's been a great deal of concern expressed out there that if you're going to sort of deinstitutionalize the hospital side of the health care setting and place residents who may require, as you mentioned and as I mentioned earlier, catheters, oxygen and intravenous lines, high levels of care, into the nursing home sector, what if the demand out there exceeds the pool of money that your government has set aside for the implementation of this bill?

Is there any flexibility from the government on that? Because that's a tremendous concern out there with care givers that while it all sounds good and well, this levels-of-care funding, if you're offloading greater responsibility to the nursing home sector, you may find that there simply isn't enough money to provide adequate care and, to use the terminology of the bill, quality assurance to patients and consumers.

Secondly, may I indicate to you my strong displeasure with the number of regulations that will be required to actually implement and put meat on the bones of the structure that's presented in Bill 101. I'd like your commitment, where possible, that if as a committee we can come up with consensus to actually eliminate in parts the need for regulation and actually put clauses in the act which would spell out exactly what eligibility is, for example, and exactly what responsibilities placement coordinators will have and put more meat on the bones in a number of other areas, we be allowed to do that and that your ministry be directed from here on in to cooperate, where possible, in putting as much in print as possible, because I think it's difficult for the public and care givers to have faith in this legislation, given that so much is left up to regulations and the cabinet.

1530

Hon Ms Lankin: With respect to the first issue you raise, in terms of the pool of money that's available and what flexibility there is, of course every ministry goes through estimates and budget-setting every year and has to look at the various pressures that are on the system.

I think that what will be important as we look at the period of implementation that follows the passage of Bill 101, in whatever form it finally ends up, is to understand that one of the first things that will happen is the implementation of the formula for levels-of-care funding, and that will happen before patients who are at the very highest end of level of care are moved in to where there's experience with those patients in the system. I think we will have some time to experience the funding formula and to get some sense of it before we would have gone through the staff training and been able to look at that kind of shift of patient care or admitting new patients who require that care.

I expect, by and large, that what will happen in many cases is that residents who might have had to move out because of requiring some small additional amount of care that could only have been provided by a hospital would in fact become some of the first people to experience that.

Just to address your second issue, with respect to what's in the regulation and what's in the legislation, this is one of the reasons we need some flexibility over the next year or two to work with the stakeholders in this sector, in order to ensure that we can change what needs to be changed as we go along to address the real situation. To move to this kind of levels-of-care funding is very new in Ontario, and we will be developing and are working on in consultation the formula that attaches with it, but we need to have some experience and to see if we've got it right or if there are some changes that are required. So that's an area I think it would be helpful for the community to look at: Is it possible for us to leave that in regulations and do you understand why, and would the public understand why that portion would be in regulation?

In general, the comment you made is one which I can be very supportive of. Where it is possible to move commitments into the legislation, I agree. I will, for example, tell you that while the drafting was going on with the bill, some of the accountability measures, like the posting of financial documents, were at first seen as provisions that would say that such things as prescribed by regulation would be posted. I actually, in looking at it, said, "Why can't we move some of that into the legislation?"

We were concerned about how we would describe it. We thought we could make the legislation more explicit. I'm certainly willing to receive and would appreciate your advice with respect to other areas where that may be done. But again, I caution that as we experience something very new in the system, it is helpful to have the flexibility to be able to deal with real problems and not be tied into a legislative framework or set of criteria which may not be workable and which would have to go through a very lengthy process to amend, as opposed to having some experience for a year or two and then enshrining those in legislation.

All of you around this table have collectively experienced legislation and the need for changes where it becomes outdated, and the impossibility of getting it on the legislative agenda. That's a concern of mine, but I think

the higher concern is to ensure that, where possible, we have clear legislative prescription for what we're about to undertake in terms of reform. So I'm with you on that point, and we'll try to work with the committee in appropriate areas to achieve that.

The Chair: Thank you very much, Minister. We recognize that you have to go on to another meeting, so we thank you for this time this afternoon. Perhaps the other officials would like to come forward to the table or however you'd like to organize that, Mr Quirt. I understand there are some things you would like to go through. Perhaps we could do that and then get into questions, but maybe you should set out how you would like to proceed.

Mr Geoffrey Quirt: I will ask Gail Czukar and Ian Matthews to give you a brief overview of the actual contents of the bill at this time.

The Chair: Fine. For Hansard, as we begin the technical briefing, I wonder if I could ask each of the ministry representatives to reintroduce yourselves and give your titles. That will make it easier as we comb through Hansard later to find out all the interesting comments that are made; we'll know exactly who was making them.

Ms Gail Czukar: My name is Gail Czukar. I'm counsel with the Ministry of Health legal services branch.

Mr Ian Matthews: I'm Ian Matthews. I'm counsel with legal services, Ministry of Community and Social Services.

Ms Czukar: What we propose to do is go through in a fairly general way the provisions of the bill, not actually section by section, because it's confusing to read an amending bill that way, but to describe some of the components you've talked about a fair amount here and in the second reading debates in a little more detail. I'm not sure how you want to handle it, Mr Chairman, whether you want to wait until we've finished our presentation and then have questions, or have questions as we go along.

The Chair: If the committee is agreeable, I suggest you make your presentation and then we have questions. Is that agreeable? Seeing no raucous disapproval, we will proceed in that way. Mrs Marland would never provide raucous disapproval.

Mrs Marland: I would hope not.

Mr Jim Wilson: Tremendous humour today, Mr Chair. See all the NDP here?

Ms Czukar: As the minister outlined, there are basically five major goals being achieved by this bill. I propose to outline three of those, and then have Mr Matthews outline the other two and speak to the amendment to the Ministry of Community and Social Services Act. I don't propose here to outline specifically the proposals to the Health Insurance Act, the Ministry of Health Act or the Municipality of Metropolitan Toronto Act except to state very briefly what the purpose of those is, because they're truly consequential amendments.

I'm going to deal with levels-of-care funding, the service agreements and the resident payment provisions, and Ian will deal with the provisions regarding access; that is, eligibility and admission and accountability. The way we've done this for many groups so far is to outline those provisions in all of the statutes, because the amendments to the Charitable Institutions Act, Homes for the Aged and Rest Homes Act and Nursing Homes Act are almost identical. There are a few differences, which I'll outline at the end; that's how I'd propose to deal with it. With the provisions I speak about, I don't propose to refer to the section numbers for each of them, because it's fairly confusing, but we can get into those details in the questions, if you wish, for a technical explanation. There aren't very many differences.

The levels-of-care funding scheme really has a number of components. The first one is the description of the operating subsidy itself. As many people have pointed out, basically what the legislation says is that the payments are to be made in accordance with the regulations and they're to be made to the facility for assistance with the cost of providing accommodation, care, services, programs and goods. That phrase you'll see throughout the bill, because those are the proposed components of the funding formula.

The cost of accommodation, which includes room and board, will be largely the resident payment. The cost of nursing care and personal services will be, of course, the major portion of the budget which deals with the levels-of-care classification scheme. Funding for services and programs in the facility would be a separate item, and "goods" is added because there's currently a requirement on operators of homes to provide certain kinds of goods in connection with the per diem they currently receive under the Health Insurance Act. So that phrase is meant to encompass all of those components of the funding formula and to allow for those to be described in detail in the regulations.

The exact funding that will be provided to each facility will be spelled out in the service agreement. It's clear in the legislation that the requirement of the service agreement is a condition of operation for charitable homes for the aged and nursing homes. It's not a requirement as a condition of operation for municipal homes, because they're required by legislation to operate a home so we couldn't make that conditional on signing a service agreement, but we have made their receiving funding conditional on being a party to a service agreement.

1540

The provisions for service agreements may be spelled out in the regulations or they may be a matter of agreement between the parties. The intention at this point would be to spell out a standard form agreement that will pertain to all the homes. What will be unique to each home would be the specific schedules—the funding schedule, the staffing schedule and the program description—so that it's clear what money the facility is receiving, what staff they're going to hire and what programs they're going to provide in return for that. The service agreement is a tool of financial accountability of the home to the province.

It will also require the home to comply with the program manual, and the service agreement must be posted in the facility by way of giving information and accountability to residents and their families. That's also a requirement in the bill. One exception to that, of course, will be any part of the service agreement which reveals personal information within the meaning of the Freedom of Information

and Protection of Privacy Act. We wouldn't require facilities to post anything that would breach that legislation, so there'll be an exception for personal information.

Let me say one thing more about the levels-of-care funding scheme. There is also the provision for additional funding to be made, only in very limited circumstances. Those limited circumstances are to be spelled out in regulation so that it's clear that the operating funding that's being provided under the general provision is the funding that is expected to cover all the costs of the care, services, programs, goods and accommodation to be provided, and that additional amounts for funding are only provided in very limited circumstances.

The resident payment aspect has been treated, again, the same way in all three of the statutes. There is no longer a section which states that residents are obliged to pay the home X amount. The obligation for the resident payment is between the home and the resident. The province is not involved in enforcing that obligation, so it's not an appropriate matter for legislation. Therefore, the legislation places a limit on the amount a home can charge to residents—and it disallows excessive charges and imposes penalties for excessive charges—including the charge for basic accommodation, as well as others, but it's the basic accommodation amount that will be the resident payment, which is currently called the copayment. It's no longer a copayment because we no longer have a per diem funding scheme, but that's how the resident contribution is handled.

The scheme for resident assistance or the income test that will be related to the amount a resident will be obliged to pay if he or she is in receipt of GIS or, in that small minority of cases where he doesn't receive GIS but has other limited means, will be a very simple scheme, also to be included in the regulations. As there's no general scheme in the statute for the resident payment, it's obviously not an appropriate place to put it.

That's the very general description of the funding system and the resident payment scheme. I might just cover, under the resident payment scheme, some of the other specifics around excessive charges. An operator is prohibited from charging more than the regulations would allow for basic accommodation, preferred accommodation—there will still be private and semiprivate and possibly other classes of preferred accommodation; rates will be set in regulation—care, services, programs or goods other than those that might be included in the service agreement, and others that the resident can agree to purchase independently.

The intention in these sections—and we believe we've accomplished it in the wording—is that residents will know what it is they're going to get and what they can be charged for over and above what the province is paying the operator directly for. In other words, there are things like cable TV or magazine subscriptions or other kinds of things, trips out or whatever, that are not covered by provincial funding that the operator can charge residents directly for. The operator must inform the resident in writing what those are and what the charges will be or they can't charge more than that. If they do, the minister has the right to recover the money and pay it back to the resident under the legislation.

That's the general outline of the funding scheme. I think if you have specific questions about other things later I can answer some of those, or I think Mr Quirt is prepared to answer some of those from a funding point of view. Mr Matthews is going to address the issues of access and accountability.

Mr Matthews: In terms of access to facility services, if we look first to the role of the placement coordinator, in the first instance, the minister for each respective act will designate one or more persons, classes of persons or entities as placement coordinators. These designations may change over time. If one placement coordinator is no longer willing or able to assume the role or is not functioning in an appropriate manner, it is possible for that designation to change. Along with the designation, the placement coordinator will have authority to authorize admissions to a particular home, and a home can only accept persons who have been authorized for admission by the placement coordinator who is responsible for that home.

Looking at some of the conditions of admission, no person will be admitted to a home unless he has been found eligible by a designated placement coordinator and the placement coordinator who is responsible for admissions to a given home has authorized that admission.

Admissions will be required where an eligible person has been authorized for admission unless the home has grounds for a refusal—those grounds will be set out in the regulations—and the director will have the power to order a suspension of admissions if an operator continually refuses admissions in violation of the regulations.

As far as determination of eligibility is concerned, the designated placement coordinator is required to determine a person's eligibility for facility services in accordance with eligibility criteria which will be set out in the regulations.

There is an appeal from eligibility decisions. A person who has been found ineligible by a placement coordinator must be informed that he has a right to appeal the decision to the Health Services Appeal Board, and that is the board that currently hears extended care certificate eligibility appeals. The appeal board must hold a hearing if a person who is denied eligibility gives notice that he requests a hearing. In terms of the powers of the board on the appeal, it can either confirm the decision of ineligibility or it can find that the person is eligible. If the board upholds the decision of ineligibility, the person may appeal further to Divisional Court.

Placement coordinators also authorize admission to a particular facility, and the designated placement coordinator for a specific home must decide whether that person should be authorized to be admitted to the home.

The director, under the act, is authorized to freeze admissions to a home in the event that the home is in contravention of the act, the regulations or the service agreement. The two chief uses of this power contemplated at the present time are in the event of structural non-compliance of homes or where there is a continual pattern of refusal by an operator to admit eligible and authorized persons as residents. The designated placement coordinator is also required to comply with the director's instructions to cease authorizing admissions.

Placement coordinators are also provided with an immunity against liability for damages, provided that they act in good faith in carrying out their duties under the act.

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Moving next to accountability, I'd like to touch on the plan of care, the quantity assurance plan, and deal with some of the provisions concerning information sharing and the inspection powers.

Looking first at the plan of care, the home is required to develop a plan of care for meeting the residents' needs and also to revise the plan as the residents' needs change. Homes are required to assess the needs of each resident on an ongoing basis, and they are also required to provide the care that is outlined in that plan.

In terms of the quality assurance plan, homes are required to ensure that a quality assurance plan is developed and implemented for the home. The plan must set out a system for monitoring the quality of accommodation, care, services, programs and goods that are provided to residents.

With respect to information sharing, the amendments will create a statutory requirement that homes make available to residents, their families, the staff of the home and the public, and as well post within the home, certain information concerning the finances, staffing and operation of the home.

Homes are required to give to each resident a notice which describes the accommodation, care, services, program and goods that the home is required to provide under the act and the service agreement between the province and the home, as well as outline the resident's right to request access to and an explanation of his or her plan of care.

They are also required to provide the resident with procedures for making complaints regarding the maintenance or operation of the home, the conduct of the staff, the treatment or care that is received by the resident and any additional matters that would be set out in regulations. As well, if a resident requests access to his or her plan of care, the home is required to provide access to that plan of care and an explanation of the information that is contained in it.

Homes will also be required by the statute to post in the home three items, three general areas: Firstly, a copy of the service agreement between the home and the province; secondly, copies of certain financial statements; and thirdly, any other documents or information that are required by the regulations.

In terms of inspection powers, new powers of inspection, which are based on those currently in the Nursing Homes Act, are introduced for charitable homes for the aged and municipal homes for the aged. The minister for each act will have the power to appoint inspectors.

Currently in the Ministry of Community and Social Services system inspectors are referred to as "provincial supervisors," for nursing homes they are referred to as "compliance advisers" and "enforcement officers." All of the appointed inspectors will have cross-appointments and will be able to move interchangeably between municipal, charitable homes for the aged and nursing homes.

Highlights of the inspection powers include clarifying the definition of "record" so that it encompasses electronic or photographic records; also requiring inspectors to produce identification when requested to do so.

In terms of the actual inspection powers, inspectors will be able to enter a home or a place where records or items pertaining to the home are kept. An inspector may demand that a record or item be produced, whether it is in the home or whether it is kept on other premises. Inquiries may be made of staff, residents, volunteers and others, subject to the right of that person to have a representative present.

The home's own computer system may be used by the inspector to produce records. Samples, records and other items may be removed from the premises of the home or other place where samples, records or other items pertaining to the home may be kept and tests may be made upon those items. As well, inspectors can call upon experts if they require expert assistance during the course of their inspection.

The inspector is required to make a written demand that certain things be produced, and inspectors must also return items that have been taken. They must return those items in a reasonable period of time. In circumstances where an inspector has removed certain items, the inspector has to make the item available to the home so that it too can test, review and examine that item. This ensures there is equitable treatment for the operator where evidence is being prepared. Copies of documents will have the same value in evidence as originals.

Persons who have custody of records or other things that an inspector is entitled to demand must assist the inspector in obtaining the item in readable form, and must also provide assistance to help the inspector interpret the record.

Offences have also been created so that it is an offence to "hinder, obstruct or interfere with" an inspector. For a first offence, a fine of not more than $5,000 is prescribed, and for second and subsequent offences the maximum fine is $10,000. Inspectors are also protected from personal liability. The crown may be sued for alleged negligence of an inspector even though the inspector cannot personally be sued, so the crown will have liability.

Directors also have authority to suspend or revoke approvals where a home is in contravention of the service agreement, the act or the regulations, or where a home has not operated for six months and is taking no reasonable steps to resume operations. Those powers apply specifically to charitable homes for the aged.

→ The last item I'd like to deal with today is the amendment to the Ministry of Community and Social Services Act.

There is due authority created for the minister to make payments directly to disabled persons who are 16 years of age or older to enable them to purchase their own services and to self-manage those services. The minister also has authority to make payments directly to other persons on behalf of a disabled person to enable the person to obtain the goods and services that he or she requires to live independently. Regulations will be developed which will set

out the rules, policies, procedures and accountability requirements for those payments.

Subject to whatever questions you may have, that is the end of my formal comments.

The Chair: Thank you very much for running through the different acts, and we'll turn to questions. I have Ms Sullivan.

Mrs Sullivan: I have several questions with respect to the presentation that has just been made. I think you'll know where I'm coming from as a result of previous comments. I will put the questions all together so that you'll have an opportunity to prepare for them.

First of all, on the levels-of-care funding, I'm interested that the operating subsidy for each facility is going to be spelled out in the service agreement. What that means is that there will be an individual home-by-home service agreement. The question I'm asking is, who will do that, how will that be negotiated, and over what period of time is it anticipated that those service agreements will be put into place?

If there are approximately 500 facilities for which individual service agreements have to be written, it will clearly take some time. Additionally, those service agreements must include—and in fact by their very nature reflect—the residents who are in the care of that particular institution. So that has to be factored in not only to determine the care which is going to be provided but the level of funding which is going to be provided.

The basic question is, who's going to negotiate these service agreements, how are the individual portions of these service agreements to be analysed, how long is it anticipated it will take to develop the service agreements, and what right of appeal is there once the service agreements have been written? Presumably the ministry has the last say.

On the resident payment scheme, we know the obligation to pay is that of the resident, and the obligation of the ministry in terms of the resident portion is negligible, including, I assume, in representing to the resident the necessity for payment. What is the home's position if the resident refuses to pay? That is one question.

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The second is, could you suggest to us what services precisely you see the government placing maximums on in terms of what can be charged? Is there, by example, going to be a maximum charge for foot care, if that's a part of a service agreement over and above the general level, or are we talking about hairdressing? I would like to see some very specific information here.

On access, the authority to authorize admissions by the placement coordinator: If the facility has refused to accept a person on the basis that it cannot provide the appropriate services for the level of care required by that person, why should the facility be penalized for refusing to accept the admission of a person?

Other areas of accountability: With respect to the inspection, what is the incremental funding going to be to introduce the new inspection system? Why haven't homes for the aged and nursing homes been integrated under one minister instead of having two ministers responsible for delivery of these services? That's one question.

The Chair: With many parts. It seems to me there were a number there. Perhaps the best thing would be to allow you to respond to Ms Sullivan, and then I'll move on to Mr Wilson and Ms O'Neill, who also have indicated they have questions. But I think there were a number of things there that may get lost if we don't—

Mr Quirt: I'm Geoff Quirt, acting executive director of the long-term care division. Ms Sullivan, you're quite correct that there would be an individual home-by-home service agreement developed for each long-term care facility. That agreement would be a contract signed between the facility and the province of Ontario. There are about 511 facilities that would enter into such an agreement.

The agreement would be general, in the sense that it would set out expectations that the facility would comply with the legislation, comply with the regulations, comply with the operations manual now under development in consultation with the industry, but it would be specific to the facility with respect to three schedules that would be attached to the legal agreement. One schedule would detail the funding commitment from the province. That funding commitment would vary in accordance with the size of the facility and also vary with respect to the funding of nursing and personal care in regard to the actual care requirements of the residents in that facility. On an annual basis, those care requirements would be measured in a peer classification exercise organized by the province, and nurses from long-term care facilities in their particular area would measure the actual care requirements of residents in other long-term care facilities in teams in various locations around the province.

The first schedule would detail the province's funding obligation. It would provide so much for accommodation, provide so much for quality-of-life programs, like physiotherapy, occupational therapy, social work, recreation and so on, and also provide for a specific amount of funding for nursing and personal care in relation to the actual care requirements of those residents.

The service agreement would be negotiated with the facility, so it would be done jointly by facility staff, by the boards of corporations or municipalities that would operate the facilities and by provincial officials. Those provincial officials would be program supervisors located in the 14 offices of our long-term care division across the province and also by the compliance advisers, who now monitor compliance with provincial expectations in nursing homes. So it would be a combined effort of compliance advisers and program supervisors who were already on staff.

Currently, those provincial staff establish budgets for the 181 homes for the aged in the province, and we also maintain an enhancement contract with the 335 nursing homes, so there is already a degree of contractual negotiation with each facility. We hope that would be a more streamlined process and a more equitable process using a new service agreement that's consistent for all long-term care facilities.

Mr Jim Wilson: Perhaps as we go along we could interject and ask questions. For instance, we're doing service agreements right now. I have a specific question on what was just covered by the ministry.

The Chair: All right.

Mr Randy R. Hope (Chatham-Kent): If you were to keep the questions specific, it would probably help in this process.

The Chair: I think that's what he means.

Mr Jim Wilson: It's preferable. For me to go back over service agreements again, Geoff will have to repeat everything.

The Chair: Did you wish to—

Mr Jim Wilson: Yes. I'm probably cutting him off, but it's just on service agreements. Before we get into what Bill 101 is going to require from homes, I'm worried about those nursing homes now, for example, that may not be up to standard. I understand there's quite a backlog. I guess it goes to Mrs O'Neill's question previously: Is there going to be funding to bring nursing homes up to scratch in terms of the fire code or a number of other areas that were brought to our attention? So before we get into exactly what the future looks like, I'm sort of wondering about the past.

Mr Quirt: Okay, if I might take a minute, it's not directly related to the service agreements, because—

Mr Jim Wilson: I think it is, because the homes feel that at the beginning they'll be in breach of a service agreement or won't be able to come up to snuff, and they're worried about what Ms Marland said about a preference for not-for-profit versus profit. In the profit sector, a number of those homes are in danger of never getting out of the starting blocks with this legislation.

Mr Quirt: I'll try to address that with a bit of history first. Of the 335 nursing homes in the province, approximately 140 of them do not meet the structural requirements as laid out in the current Nursing Homes Act, one of the acts that's subject to revision by Bill 101. The structural requirements in that act have applied to any nursing home built since 1972 and have applied when any nursing home has been renovated since 1972. But in 1972 there were some 170 facilities, if memory serves me correctly, that were licensed as nursing homes and grandparented; in other words, given an exemption from the requirements of the Nursing Homes Act with respect to structural compliance.

The Minister of Health, in 1988, indicated that those nursing homes were to become structurally compliant with the Nursing Homes Act by June 1993. Some nursing homes have done so; other nursing homes have not. As I mentioned earlier, there are currently about 140 facilities that have yet to become structurally compliant, some of which would require a total renovation to do so, others of which would require some minor renovations.

The government is aware that many nursing homes have not been in a position to make the investment necessary to become structurally compliant because of the difficult economic circumstances facing the nursing home sector. It's also aware that capital funding is available in a very limited supply but available to long-term care facilities that are funded under the Homes for the Aged and Rest Homes Act or Charitable Institutions Act at the level of 50%. In keeping with our efforts to rationalize the funding arrangements for long-term care facilities, the capital funding program for long-term care facilities is being reconsidered now, under review, but no policy decisions have been taken in that regard at this time.

So the direct answer to your question is that we intend to implement service agreements with all nursing homes, all homes for the aged, and we do not expect that there would be any provision in that service agreement that would immediately put a nursing home in violation of that agreement. We note that in the homes for the aged program there are some facilities that are very old and very outdated and there are others that are very new, having gone through recent renovation projects.

It's our expectation that the service agreement will speak to the quality of programs and services delivered in those facilities, irrespective of the actual date at which the facility was built or when it was last renovated. Our intention is certainly not to obligate a facility to sign a service agreement that can't be upheld or can't be delivered strictly on the basis of the architecture of the building.

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If I might go back to Ms Sullivan's question with respect to right of appeal, currently there is no right of appeal per se available to municipalities or to charitable corporations that operate homes for the aged with respect to the enhancement contract they may sign or with respect to the amount of provincial funding for which they're eligible. Obviously, those facilities can exercise their right to appeal to government or to the Ombudsman if the government decision is viewed as unfair from their perspective. With respect to the nursing home program, there are unlimited numbers of examples of where a nursing home may ask the Nursing Homes Review Board to rule on a particular government decision or policy decision taken by the director under the Nursing Homes Act.

At this juncture we do not propose a separate appeal process for the sponsors to appeal the nature of the service agreement. We hope that it will be negotiated in the best interests of the residents of each facility. That's certainly been our intention and the way we have been able to manage the implementation of the enhancement contracts with nursing homes. If an appeal was necessary, it would be an appeal through provincial officials to the minister and an appeal through other channels, as necessary, but not a prescribed appeal mechanism for individual facilities in this round of legislative reform.

Mrs Sullivan: May I just have a supplementary? If a home has, say, a number of patients who die, and they're being replaced by new residents with greater acuity, what would happen then in terms of an appeal with respect to the funding requirements for nursing and personal care?

Mr Quirt: Under the current system of funding, a nursing home would get approximately $78 a day, regardless of whether the residents that nursing home was caring

for required one hour, two hours, three hours or four hours of care.

Mrs Sullivan: But that would change.

Mr Quirt: That will change, and on an annual basis, we will re-establish the funding commitment from the province to the nursing home on the basis of the actual care requirements of the facility residents. So, for example, if this fall we were to do our second annual classification of residents and a particular nursing home's population had changed dramatically or the care requirements increased, the commitment from the government for funding of nursing and personal care would be adjusted upward in recognition of that.

The question has been asked by some: "Why don't you do the classification on a more frequent basis? Why don't you do it every three months or every six months?" Experience in other jurisdictions has shown us that we don't see a rapid fluctuation up and down in the care requirements of a facility population. We see a gradual increase over time.

Secondly, the classification exercise has one single purpose: to determine how much funding to provide in a budget approval. Because we fund facilities on an annual basis, we have to make a commitment that allows committees of management or charitable boards or private companies to plan their expenditures for a reasonable period of time. Our commitment applies to the year. Therefore, our funding level for the facility would apply for the year as well and would be adjusted accordingly if care requirements were to change for the second budget period or the next year or the year after.

The Chair: Mr Wilson, do you have a question?

Mr Jim Wilson: I think this still pertains to service agreements, but I'm not quite sure. In the original presentation of the ministry, additional funding in circumstances to be spelled out in regulation was mentioned. Could you elaborate on that? What circumstances would qualify a home for additional funding?

Mr Quirt: I think the reference was to exceptional funding.

Mr Jim Wilson: Yes, I suppose.

Mr Quirt: Under exceptional or extraordinary circumstances, for example, if a facility was in an area hit by a natural disaster, if there was a flood or a fire in a particular facility, or if in the unlikely probability that there was a serious infection or a serious problem within the facility where there were extraordinary costs associated with a major incident in the operation of the facility during the year, the provision would give the minister the right to provide funding that would be specific to that particular problem and in all likelihood would be provided in such a way that it would defray the actual costs associated with extra staff that would be required because of an evacuation or a problem that was encountered beyond the control of anyone.

Mr Jim Wilson: So it's truly exceptional circumstances.

Ms Czukar: Can I just clarify something connected to that?

Mr Jim Wilson: Yes.

Ms Czukar: It is truly exceptional, and it's outside the service agreement. That wouldn't be covered. It's an exceptional grant and the minister can impose conditions and so on, but that's why it's in a separate subsection. It's not part of the service agreement.

Mr Jim Wilson: I'm sorry. In the original briefing my notes run together, so I wasn't sure.

Briefly on the service agreements, there are a number of sanctions in there against homes if they breach service agreements. There was some concern expressed by the industry itself—now, I don't know how this would ever happen because service agreements are renewed annually—that if homes were found in breach—you know, it wasn't their fault—of a service agreement through a complaint from a resident or something, what mechanism is there to ensure that there's cooperation between the ministry, the inspectors and the owners of the home, for instance, before any sanctions would be taken?

Mr Quirt: That's a very good question, Mr Wilson. The approach currently employed with the homes-for-the-aged program and to an increasing degree with the nursing home program is an approach used by ministry staff to be more consultative and collaborative than they have in the past.

Several years ago, the inspection service of the Ministry of Health with respect to nursing homes was criticized by a consultant's report for its black and white approach to monitoring compliance with standards in the nursing home program. At that point in time a new approach was initiated called the compliance management approach, an approach that involves our compliance advisers in the identification of not only the problem, but in recommending how that problem might be solved, involving them in the solution. Their job is to provide advice and support to the facilities in the recognition that the vast majority of facilities are interested in doing a good job on their own and may need some advice and support to do that.

With respect to an individual complaint, the example that you mentioned, we're obligated to investigate any individual complaint, whether anonymous or otherwise, in the nursing home program. In the investigation of that complaint, the problem identified would be discussed with the administration of the facility, with the staff involved, if necessary with the family and the complainant, if he or she wishes to be involved in those discussions. Unless there was a chronic problem or a series of serious complaints that would lead us to believe that the public interest wasn't being protected in that facility, I wouldn't see the normal complaint investigation process impacting severely on the signing of a new service agreement.

If we were of the opinion that the residents were at risk in the facility, obviously we'd have the sanctions available to us with respect to signing the service agreement and the other sanctions in the act to allow us to protect the public interest in that facility.

Mr Jim Wilson: Is the compliance management approach, though, part of this legislation, or is it just that it's been an established policy of the ministry?

Mr Quirt: It is not specifically referenced in the legislation. That may be more of a question of how legislation is drafted and the terminology that's necessary in drafting legislation. But certainly, in our development of the manual and in our discussions with provider associations, representatives of workers and representatives of consumers, we've made it clear that we want to continue that collaborative approach to problem-solving in the facility.

As a matter of fact, we've had two joint committees established with representatives, as I've mentioned, from provider associations, from worker organizations and from consumer groups developing the manual, actually writing the sections of it and commenting on it, and also developing the funding formula, answering questions or discussing questions on how the provincial funding available might be distributed among the three budget categories. We've made it clear in those discussions that our intention is to continue to be collaborative rather than rigid in our measurement of compliance.

I might add in that respect that our approach to monitoring compliance in facilities will change with a view to focusing on, I believe, 17 key outcome measurement areas; in other words, looking at 17 or 18 key indicators of client satisfaction or indicators as to whether the facility's doing a good job and delivering good service. If the facility were to show up as meeting client expectations in those areas, the investigation, or the annual review, if you like, would be much shorter than if problem areas were identified by looking at those key indicators of client satisfaction.

Only when we need to be more intrusive because of a particular problem being identified would we be more intrusive, with a view to finding out what the root cause of that problem was and suggesting how it might be corrected.

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The Chair: Was there still a question or two left from Ms Sullivan's earlier remarks?

Mr Quirt: Yes, I think there are two. I'll try to deal with them as quickly as I can.

Ms Sullivan asked about the obligation of a resident to pay and questioned the necessity for payment and questioned what services precisely homes would be able to charge extra for and what would be the role of government in that respect.

The obligation of facilities and placement coordinators, first of all, is to determine fairly how much a resident is able to pay for the basic accommodation.

Mrs Sullivan: Who determines that, the placement coordinator or the home?

Mr Quirt: The act currently allows placement coordinators to do that. I believe it also accords the facility administrators that right to make a determination as well. I think there are three or four people who the minister may designate as placement coordinators who—

Mrs Sullivan: They determine financial eligibility for assistance.

Mr Quirt: That's correct, and as has been mentioned briefly, the income test for the cost of basic accommodation boils down to one question. The question is asked of the resident, "Are you in receipt of the guaranteed income supplement?" If the resident says, "No, I'm not," then we'll know that resident can afford to pay the basic accommodation rate and still have enough income left over, $112 a month, to cover the cost of some personal necessities.

If the resident says, "Yes, I do receive the guaranteed income supplement," then he will be entitled to a rate reduction, and whether one lives in a facility that used to be called a home for the aged or used to be called a nursing home, or whether it's in Kenora or in Kingston, people will be eligible for a rate reduction based on the amount of the guaranteed income supplement they receive. It's our proposal that this rate be detailed in regulation, given that it will change as the guaranteed income supplement amount from the federal government changes.

The facility will receive a guarantee of the $38, or whatever the copayment rate is at the point of implementation. As I mentioned, it's tied directly to the guaranteed income supplement level. The facility would receive a guarantee of that level of funding. If residents are unable to pay the $38, the province makes up the difference between what the resident is able to pay and that $38. So we'll prescribe what that amount is for basic accommodation in all long-term care facilities.

In addition to that, the province will prescribe the rate that might be charged extra, to those residents willing to pay for it, for preferred accommodation, namely, a private room or a semiprivate room. We currently do that now. We set a maximum that can be charged for semi-private or private accommodation, a maximum premium that can be charged for the nursing home program, and we set a maximum premium for homes for the aged for preferred accommodation in general. In other words, we set two figures for the nursing homes and one figure for the homes for the aged.

It's our intention to specify in regulation the premium that can be charged for preferred accommodation, so that residents would not be subject to a charge that was greater in one facility than in another. So there will be a uniform approach to the charges residents would pay for preferred accommodation as well.

While it is not our intention to specify precisely what a resident might pay for hairdressing or for cable TV or for drycleaning in regulation, we're asking for the act to give us permission to require a facility to make it clear in writing to the resident what he or she might be requested to pay or be expected to pay if he or she were to purchase cable TV or hairdressing from the nursing home operator.

We're also asking in the act for permission to get involved and compensate residents who are unfairly charged or charged an amount greater than is called for in that agreement between the resident and the facility.

Mrs Sullivan: If the care needs of the person changed and it was the determination of people who were assessing the resident that this patient needed private duty nursing care or particular attention and that is not covered in the service agreement or the contract with respect to that particular resident,

will the government contemplate allowing a private duty nurse to provide services to a patient at an extra fee?

Mr Quirt: We do not prohibit that under the current legislation. In other words, a consumer has the right to purchase that extra service if he or she wishes. Under the new bill, we are not precluding that possibility. In other words, we're not telling residents they no longer have the right to purchase an extra service if they so choose.

What we are achieving under the bill is the right to monitor the appropriateness of the charge if they happen to purchase that service from the nursing home operator or the home-for-the-aged operator themselves. The bill does not allow us to tell a resident, "You shall not buy from the VON office down the road extra private duty nursing for your mother or for yourself," and the bill does not allow us to specify what the VONs would charge if they were to come in to provide that extra service. It does allow us to monitor those charges if the client, the consumer, chooses to purchase that service from the individual facility operator.

I might add that while that does happen on a very limited basis, there are very few clients in long-term care facilities who purchase additional private duty nursing in their facility. The purchase of private duty nursing is more likely to happen when a client is living in his or her own home.

We expect that by matching the provincial funding for nursing and personal care to the actual care requirements of the resident population in each facility, facilities are going to be better equipped to meet, in general terms, the nursing and personal care requirements of the residents.

We, as a government, would be very interested in those situations where a facility were to suggest that private duty nursing was required. Our obligation would be to ensure that resident was receiving all the services he or she should be entitled to from the provincial funding provided.

Mr Jim Wilson: On that, so that I'm clear on what you've just said, take hairdressing which is a personal care requirement: Are you setting a range that you think is appropriate for hairdressing?

Mr Quirt: No, Mr Wilson. Our intention would be as follows: If the resident were to make an arrangement with the local hairdresser—

Mr Jim Wilson: But assuming it's purchased through the home.

Mr Quirt: Assuming it's purchased through the home, yes. First of all, we're obliging the facility to explain clearly and in writing to the resident what he or she may be charged extra for with respect to having his or her hair done. Secondly, we're asking for the right to intervene if those charges are excessive or unreasonable. If they were charged $200 to have their hair cut, in a ridiculous example—

Mrs Sullivan: Well, if you have a perm—

Mr Jim Wilson: It depends if you're in a home on Fifth Avenue.

Mr Quirt: If we were to become aware or a complaint was lodged, we would have the right to deem that was an excessive charge and would have the right to take action to have money returned to the resident.

Mr Jim Wilson: This is the type of thing our constituents latch on to. They understand hairdressing and they understand whether it's $25 or $35 a shot. You're going to put a ceiling on that? I don't understand how you do that. In the service agreement, it will specify that for the following year, this home can't charge you any more than $35 because that's it has agreed to if you purchase hairdressing through it.

Mr Quirt: I'm going to ask Gail to answer that specific question.

1630

Mr Jim Wilson: I'm sorry, but that's the type of thing we get letters on.

Mr Quirt: But we wouldn't expect the policy on hairdressing to be outlined in the service agreement per se, if we're still on that topic.

Mr Jim Wilson: Then how do you make a determination whether the home is charging excessively for a particular service?

Mr Quirt: If we had a complaint from a family or resident, it would be the most logical way in which we would become involved in the discussion between the client and his or her hairdresser as to whether the fee was appropriate or not.

Mr Jim Wilson: Isn't that kind of Big Brother at its worst, though?

Ms Czukar: Let me just clarify what the legislation allows on this business of excessive charges. There's the charge for basic accommodation, which will be spelled out in the legislation, and charges for preferred accommodation, and the facility can't charge above that.

We could also prescribe by regulation certain services, I suppose, or programs, and a maximum amount that could be charged. That is currently allowed under the statutes as they are now and it is not done; my understanding is it's never been done. So we haven't prescribed by regulation any other services or goods that a facility is allowed to charge for and a maximum amount. It's not currently done. We could do it still under this. It's not a change.

We could also include in the service agreement items or services that the facility would be allowed to charge for over and above the basic accommodation, the resident payment rate, and prescribe a maximum amount in the service agreement that it would be allowed to charge for that. One example that occurs to me is that if a home is offering the quality-of-life programming, that component, certain kinds of opportunities for trips to go here or there, the facility could be allowed to charge the resident for a certain portion of those. In addition to the funding they get, we could spell out in the service agreement a maximum amount they would be allowed to charge to the resident.

The final category is that which has to be spelled out in the contract between the home and the resident. That's where things like hairdressing, cable TV and those kinds of things would be included. The home is not allowed to charge anything at all for anything they haven't told the

resident about, and they're not allowed to charge over the amount they've put in their contract with the resident.

On things like hairdressing and those kinds of things, it's really a question of the bill allowing the resident—I don't think this is a change. It's not a change under the Nursing Homes Act, and I think it probably wasn't addressed directly in the other two statutes, so it's not a change from the current procedure with nursing homes that they have to inform the resident of what they're going to charge for and how much it's going to be and that they can't charge over that. These provisions are in the Nursing Homes Act now. So it's really a question of the resident monitoring that himself or herself. I don't think it's the intention of this bill to introduce hairdressing maximums into legislation or regulation.

Mr Jim Wilson: Just on this point, because I've had complaints. My own grandmother, for instance, wasn't told in advance that you had to pay for hairdressing and a couple of other things. It comes out of her comfort allowance, I guess, for as long as that lasts: $112. Is there any sort of proactive new thing in this bill that says you have to—in the service agreement it's spelled out, so that's the proactive part, I imagine.

Mr Quirt: That's correct. In the service agreement with the province, on an exceptional basis, there may be a requirement where the service agreement would stipulate a maximum. But the more important aspect is that the home would be obliged in its admission agreement or in its agreement with the resident, directly between the resident and the operator, to say, "Look, you have to pay extra for hairdressing, and our rate is X."

Mr Jim Wilson: But it's been pointed out that that's the current case, and that's not a change. I'm just pointing out that it seems to fall between the cracks.

Mr Quirt: No, it is a new provision with respect to how homes for the aged would operate.

Mr Jim Wilson: Okay.

Ms Czukar: The Nursing Homes Act currently provides that the licensee can't demand or accept or cause or permit anybody to demand or accept payment for services exceeding the amount provided for under written agreements for those services between the licensee and the individual residents. So it's a current requirement in the Nursing Homes Act.

Mr Jim Wilson: Just to clear the record, my grandmother is in a home for the aged, so that's why it would be a new provision for her.

Ms Czukar: Okay, there you go.

Mrs Sullivan: I think there is an issue associated with health care services, foot care by example, which may not be a part of the ongoing personal care plan, which may be charged for additionally. If that is not included in the original service agreement and is needed, then how is the ministry going to determine at a point in time X number of dollars, and only X number of dollars, should be apportioned to that if the service agreement, as you say, isn't going to be renegotiated other than once a year?

Mr Quirt: First of all, if there's a necessary nursing and personal care service a resident requires, the facility would be obligated to meet that need. There are some areas where there might be some question as to whether the provision of the service would be a necessary aspect of the nursing and personal care a person requires, for example, foot care for an individual who's unable to do it on their own, and that may be the case for a large percentage of the residents in facilities. It would be our view that basic foot care would be a requirement of the health care staff, the RNs, RNAs and health care aides in a long-term care facility, to provide.

There are some extra health services that aren't provided on a health insurance basis now in Ontario. Sometimes clinics are operated in facilities where a person is either not covered under the Ontario Health Insurance Act or only partially covered to provide a service to residents, and in those cases, if it's not a requirement from a health care point of view that the resident receive it, the resident does pay a premium sometimes or a portion of the cost.

It has been our practice with the nursing home program, and it will continue to be our practice, to deal with those particular services on an individual basis and to list in the program manual, or to talk about in the program manual, how a determination might be made about whether that service is a requirement the resident has and should be met with the funding provided by the province, and those other services that we feel aren't necessities and where an extra charge might be appropriate. The list where an extra charge might be appropriate would include things like cable television, dry-cleaning or a trip to the theatre or something like that.

We don't want to see the basic requirements a resident would have on that list of things where extra charges might be appropriate, and while it's easy to develop a list in that regard—and we have had those discussions on an ongoing basis with the nursing home association in particular—there's often a grey area or a particular item that comes up that would require us to sit down and talk about it and determine what would be fair.

We have asked the cooperation of both provincial associations to work with us, not only in the development of the draft 1 of the manual and the draft 2 that's coming out shortly, but to work with us on an ongoing basis with a joint committee that would involve the Ontario Association of Non-Profit Homes and Services for Seniors, the Ontario Nursing Home Association, representatives from groups like the Ontario Association of Residents Councils, Concerned Friends of Ontario Citizens in Care Facilities and others, to form a regular committee that would meet on a regular basis and deal with problems associated with that program manual or grey areas that emerge from time to time. Then, rather than the province simply drafting a new policy and mailing it out, those new policies would be subject to debate and consideration at that committee level. Ideally, consensus would be reached on them and a page in the manual might be changed accordingly.

The minister made reference earlier to her hope that whatever goes in the act is material about which considerable consensus has been reached. We know this is a dynamic

program and we hope to retain the flexibility to alter provincial policy as it makes sense to do so.

We've certainly established a much more collaborative relationship with provider associations than we've had in the past in the development of the funding formula and the new manual, and we hope that process will continue.

The fine-tuning, the things that might be considered a requirement from a health care point of view, or things that might be considered an extra that a charge might be appropriate for—no doubt those issues will come up and be dealt with in that manner.

If I might try to deal with the two remaining questions that Mrs Sullivan raised—

1640

The Chair: Just before you do—please, do that—Ms O'Neill, I know, still has a question, and I rather suspect Mr Wilson has a question lurking somewhere as well.

Mr Quirt: I'll be as brief as I can. A question was raised about access. It's our proposal in the bill that long-term care facilities would have the right, under certain circumstances stipulated in the regulation, to refuse admission of a resident to a long-term care facility. In practical terms, we don't see that right of refusal having to be exercised very often.

We hope that the placement function would involve residents, for the first time, all across the province, having a full explanation of the facility options available to them, allowing residents to express their preference for the facility to which they wish to be admitted, and a process that would involve a fair selection of who on the list who have interest in going into that particular facility requires that service the most and would get in first.

Mrs Sullivan: That's the exact opposite to the way we read the act and the way that everybody in the community whom I've talked to reads it. So you may need some drafting changes, because it's exactly the opposite.

Mr Quirt: We'd be pleased to take recommendations and directions from the committee on how our intention might be more accurately reflected in the bill. Clearly, that's the purpose of this process. I reiterate that our intention is to provide clients with information and choice about the facility to which they wish to be admitted and to ensure that those eligible clients who have expressed a preference for a particular facility are considered fairly in terms of the needs that they present.

In that process, we expect that there would be dialogue between a resident, the placement coordinator, the facility in question; that the resident may have had a tour to perhaps a couple of facilities, or the family might have had a tour, so that they understand what option is the one they wish to choose and the facility for which they'd like to apply. Through that process, we hope that it would be an unusual circumstance where a facility would be at odds with the province or the placement coordinator and would exercise its right to refuse a resident under the provisions specified in regulation.

Mr Jim Wilson: Could I just stop there on placement coordinators? I'm trying to flesh out exactly what or who these people are. Would they replace current discharge planners, for instance?

Mr Quirt: No, they would not replace current discharge planners in hospitals. Discharge planners in hospitals currently are involved in planning the discharge of people in hospital, most of whom don't go to a long-term care facility, most of whom go home with the support of the existing home care program and so on.

Certainly discharge planners and placement coordinators in our placement coordination service program in, I believe, 22 locations in Ontario work collaboratively in that regard. Certainly when we introduced the placement coordination services in those areas we didn't do away with all the discharge planners. There was an expectation that they would work collaboratively. That seems to have been the case. The discharge planners in hospitals work with a broader range of clients than those clients for whom a placement in a nursing home or home for the aged would be appropriate.

Mr Jim Wilson: But it seems to me that, yes, they deal with all patient discharged from hospitals, but their major workload is finding, in Simcoe county, for instance, a place in a nursing home. That's usually when we get the calls. The current system, as I understand it, having been through it a few times with my family, is basically that you get your grandmother or whoever on a few different lists in the county, whether it be a nursing home or a home for the aged or a charitable home for the aged, and the discharge planner does his or her best to emphasize the need with the administrator of the home that "Mrs Wilson desperately needs in, regardless of the 237 people who are supposedly on your list."

You also work with the physician assigned to that home to put a little influence into the system and hope you get your grandmother or somebody else's grandmother into the home. So how does a placement coordinator coordinate all this? Who is this person who will usurp this current system?

Mr Quirt: Okay. I will try to explain that as quickly as I can. Currently, in about half the province, where placement coordination services don't exist, discharge planners in hospitals, who have a primary obligation to manage the flow of patients through the hospital system, can help and do help someone who's in a hospital bed to get discharged appropriately to a nursing home or home for the aged. But if you happen to live in that community where there isn't a placement coordination service and you happen to not be sitting in a hospital bed, then you're left to your devices to find out where there's a vacancy or what the difference is between a rest home and a retirement home and a home for the aged and a nursing home, and you're left to your own devices or often your physician on his own or his staff are involved in trying to deal with an emergency placement situation. Discharge planners fill that role only for people who happen to be in the hospital. Their obligation is to the people in the hospital. Where there's a placement coordination service that exists currently, placement coordinators are responsible to help people make decisions about the facility to which they'd like to go,

whether they happen to live in a hospital or, which is more often the case, when they happen to live at home or somewhere else or perhaps have only been in the hospital for a couple of days.

Our intention is to expand that placement coordination function across the province, first of all—step number one. We intend to expand it in a similar fashion to the way we fund placement coordination services currently. In other words, we have an agency designated, as was mentioned, I believe, by Mrs Sullivan earlier. There are four placement coordination services that are their own agency on their own. Often it's the home care program that, in addition to coordinating services for people in their own home, has the responsibility of coordinating access to facilities. Sometimes it's a hospital that does it. It depends on what part of the province you happen to be in.

So our first step is to establish new placement coordination services, probably with existing agencies across the province, so that regardless of where you live, there's somebody there who can assist you in knowing what options are available and fulfil the obligations of Bill 101. Those obligations are twofold. In other words, the placement coordinators have to determine your eligibility for being in a long-term care facility. Part of that determination is to make sure that you and your family have been made aware of and have considered the community service alternatives that may be possible for you in your community.

Secondly, there's an obligation, in determining eligibility, to determine how you might rank in terms of the urgency of your admission with respect to other clients, in a fair way. That's the first obligation of the placement coordinator: to figure out who's eligible, make sure that's an informed choice that the family's making about moving to a long-term care facility and to determine the relative priority for access or how one's particular circumstances might compare against someone else's.

The second obligation is to be the gatekeeper, to a certain degree, or to manage access to the facilities in your own area. For example, if you were the placement coordinator who served Villa Colombo home for the aged here in Toronto, you would have a list of all those people around the province who have expressed an interest in going to Villa Colombo, probably residents with that particular ethnic background or an interest in being in a facility that offered that culturally appropriate environment.

So you'd have a list of all those people who were deemed eligible and have an understanding of their relative priority, and your responsibility would be to make sure that the names of those people most in need who have wanted to get into Villa Colombo were forwarded to the facility, and it wouldn't matter whether someone happened to live in Kingston or Sault Ste Marie if, through the placement coordination function, those people would find out about that culturally specific home and have an opportunity to be fairly considered for it.

1650

In the longer term—and I know this was a question raised in Mrs Sullivan's and others' questions earlier—it's our intention to create comprehensive multiservice agencies—I know this is outside the scope of Bill 101—where the functions of service coordination, in other words, the functions now fulfilled by the home care program—it doesn't deliver service; it assesses the need for it and makes arrangements for it and pays for it—and the functions of placement coordination would be brought together with the functions of service delivery, so that we'd achieve a situation where one agency could meet all the needs of someone, when she presented herself, for not only direct service delivery but access to facilities as well.

So I hope that explains the access issue. The only other question that was outstanding was incremental funding for the inspection system. I mentioned earlier that the monitoring of compliance with long-term care facilities will be a combined effort of our existing compliance advisers, who are in the residential services branch of the long-term care division, and the program supervisors, who work from the 14 offices around the province. So those two groups of staff resources will share responsibility for the establishment of the service contract and for monitoring compliance with provincial expectations in the facilities.

Bill 101 provides for compliance advisers, who used to only be able to go into nursing homes, to go into homes for the aged, and for program supervisors, who had a mandate only to visit homes for the aged, to go into nursing homes. So that staffing force, we hope, combined with a new approach to monitoring facility compliance, which looks at quality-of-service indicators as opposed to going the whole gamut with each facility, will allow us to discharge that responsibility with the staff available now. If that doesn't prove to be the case, obviously the estimates process affords us an opportunity to revisit that question on an annual basis.

The Chair: Mr Wilson, do you have a—

Mr Jim Wilson: I'll yield the floor to one of your colleagues, Mr Chair.

Mrs O'Neill: I have two questions. The first one is a follow-up to what you just said about Villa Colombo. I wanted you to be very clear, and this is a question, certainly, we're asked often. Are you suggesting that anyone in the province could have access to any facility in the province on preference?

Mr Quirt: Yes, in a nutshell, I'm suggesting that. That currently is the case with any of our charitable homes for the aged that operate and provide a particular spiritual or a particular ethnic or cultural environment. Technically, because it's provincially funded, anyone could rightly expect to be considered for admission to that facility. In practical terms, it's people who want to live in that type of cultural environment, who speak that language or who wish to live in that particular spiritual environment who say they're interested. They would be the people who express a preference, like they do now, and their needs for admission to that facility would be prioritized.

Mrs O'Neill: So you're going to be continuing, basically, that policy. Okay.

My next one goes back to the disabled, because I find every time we talk about the disabled it takes about one twentieth of the time that we're using on the other situations. One of you suggested that the grants would be on

conditions, and very little said about that. I wonder if you can say a little more about that and who is involved in setting these grants, schedules and the conditions attached to them, where we are with the discussions. I think there's a very vulnerable group of people out there who are quite concerned about this going on at Queen's Park. So could we say a little bit about that?

Mr Quirt: Certainly. We are now meeting with representatives of consumer groups of persons with physical disabilities to look at the piloting of direct funding approaches. I believe we've met a couple of times with them and I'm going to turn this over to my colleague Patrick Laverty in a second, to give you precise information about who's been involved in meeting with us and so on, how many times we've met.

You asked about some of the parameters and how it might work. Currently we fund what we call attendant care services for physically disabled people in two ways. We fund supportive housing programs called support service living units, where we provide a group of staff that's specific to a particular apartment building to meet the attendant care needs of the disabled consumers who live there.

The second way in which we deliver those services is to fund a social service agency to deliver the same kind of services but on a visitation basis, where people drive in cars and visit people at prescribed times, and we call that program the attendant care outreach program. It's our intention to be able to provide money to the individual consumer to allow him to purchase the services of a attendant through this provision.

Some of the parameters or guidelines that are being discussed at this point, although no final policy decisions have been taken, might be a guideline, for example, that would say: "Well, look, if you were to be served through the regular home care program, this is the kind of service level you'd be entitled to," or, "If you were served from the existing attendant care outreach program, this is how much service you'd get. So rather than giving you three times as much money as it costs to do that, we'll give you the same amount of money that would have been spent on the provision of your services for you to manage on your own."

So those are some of the guidelines that are under consideration and discussion with the disabled community, and I'll ask Patrick Laverty, director of policy in the long-term care division, to speak specifically to who's involved in those discussions currently.

Mr Patrick Laverty: To date we've had four meetings with representatives of persons with physical disabilities. They represent the Attendant Care Action Coalition and independent living centres. Their participation has been endorsed by the broader group of individuals within the Consumer Coalition on Long-Term Care Reform, which includes a number of other organizations representing consumers with physical disabilities.

We're at the point in our proceedings where we've had an exchange of views. We've provided them with an outline of our thinking, and at this point in time we have not gotten to the point of pinning down any of the particulars with regard to that formula in terms of how it will work. We hope to be able to do that over the next several meetings with them.

Mrs O'Neill: Is there any major discussion going on regarding the care that's attached to the supportive housing? It's very hard because what's being said is very sketchy, and I can understand we're at the preliminary stages, but are the residences where the care is attached to the residency going to be changed? I have two of those in my riding. You suggested that people would purchase service. To be honest with you, I get complaints from time to time from those residences about some of the care. How much would this apply to that kind of a situation?

Mr Quirt: There's certainly no intention to diminish the level of support to supportive housing programs in the province as a result of exploring direct funding possibilities. It may well be, it's possible, that an individual who now lives in a support service living unit may decide that he would like to manage his own care and take advantage of an opportunity that might be provided through this pilot. But, as I believe Minister Lankin said earlier, the long-term care consultation document and the consultation process certainly reinforced the need for an investment in new supportive housing spaces in the province.

The consultation results clearly indicate that a portion of that $441-million community service investment will be directed to new supportive housing options for younger adults with physical disabilities as well as seniors. So you can expect to see an expansion in that program.

Mrs O'Neill: I think that will be well received.

Mrs Marland: Just a procedural question through you to the clerk, Mr Chairman: When would we have available today's Hansard, today being Monday, just approximately?

The Chair: Tomorrow noon.

Mrs Marland: Excellent, thank you. Could I just further these questions about the attendant care programs. Do you feel that you're currently meeting the needs of people with disabilities in this province in terms of attendant care?

Mr Quirt: Currently, we have long waiting lists for attendant care programs, whether they are offered on a site-specific basis through support service living units, supportive housing, or whether they're provided on an outreach basis. Through our consultation process, the minister has proposed that supportive housing become a key element of the redirection strategy, and that profile and emphasis on supportive housing was certainly substantiated through the results of the consultation. It was viewed, I think it's fair to say, as one of the most popular strategies proposed in the consultation document.

So the short answer is, no, we don't think we're meeting the needs now and we hope to make a significant investment in new supportive housing options that will help meet the needs of not only consumers with physical disabilities but frail elderly people as well.

1700

Mrs Marland: Mr Quirt, I appreciate your direct and honest answer because I'm very concerned about the fact that we're not meeting the needs, anywhere near, for people

with disabilities, and I am very much aware of the long waiting lists. My concern with Bill 101 is that I think it elevates the hopes of the people who need these services. I wouldn't want them to be misled into thinking that there's going to be an instant solution for them to meet their needs.

With long waiting lists, I think it's great if there's going to be a formula and a very practical way for people to manage their own attendant care through a direct funding mechanism to the client and letting the client hire his own people. Those options have great possibilities in terms of the individual person who is disabled having someone who is compatible, for goodness' sake, and having the same person rather than two or three people a week, let alone a couple of people a day, which can sometimes be the situation in the worst scenarios.

I think having someone who individually understands the individual needs of that client is terribly important. But I have a concern about going around the province flag-waving and raising everybody's hopes, and really on the ground nothing changing with the troops. We still have long waiting lists. Where's the money going to come from? I don't see Mr Laughren running around waving his money bags for everybody to reach up and grab.

Mr Hope: I saw him just the other day.

Mrs Marland: I met him in the hall today. I thought he looked kind of depressed, to tell you the truth.

But this $441 million you mentioned for community services, where is that money coming from? Also, could you comment on something that has been raised in this whole area? If this program gets off the ground where it's possible that you would consider spouses staying home to look after their spouses in need instead of having outside help hired as attendant care providers, how would you look at that closely enough to know that the level of care in terms of "professional care" was what you would want it to be for those clients?

The Chair: Just before you answer that, Mr Quirt, could I indicate that this will be the last question, and would members stay because we have just a couple of procedural things to deal with prior to closing our hearings this afternoon.

Mr Quirt: Ms Marland, if I might answer your question in a little different order than you posed the question, the $441 million that you referenced is part of the long-term care redirection investment commitment. That still stands. Mr Wilson earlier asked—

Mrs Marland: It's new money, you're saying.

Mr Quirt: If I might, I'll explain precisely how that $441 million fits into the overall redirection budget. The government remains committed to a $647-million investment in long-term care programs and services. The lion's share of that $647-million investment will go to the establishment and improvement of community-based services, including supportive housing, community support services and in-home services like the services provided by VON and Red Cross homemakers.

Now, $441 million of the $647 million, roughly two thirds, is an investment in new provincial funding on an annualized basis for community-based services. The balance of the $647 million—in other words, $206 million, because $441 million and $206 million adds up to $647 million—is more specifically the focus of Bill 101. In other words, that's the amount by which the budgets of nursing homes and homes for the aged in the province will be increased on an annual basis. The budgets of nursing homes and homes for the aged will go up by $206 million on an annual basis. That $206 million, however, is comprised of two components.

Mr Jim Wilson: This is the catch, man.

Mr Hope: I have been listening.

Mr Quirt: There are two components. One component is $56 million in new provincial funding. The other $150 million is the new revenue generated by one consistent, income-based copayment for the user fee for the 58,000 people who live in those long-term care facilities. Obviously, those 58,000 people benefit directly from not only the $150-million increased fee they pay as a whole, but also from the $56-million provincial contribution.

It's an investment of $441 million in community services and an investment of $206 million in facility services, for a total of $647 million. In total, the subsidy provided by the government is $497 million in new provincial funding, $150 million in new revenue raised by consumers in nursing homes and homes for the aged.

Mrs Marland: I don't want to prolong this but in fairness—

Mr Quirt: What we could do is provide the committee with a list of how all those figures break down.

Mrs Marland: I would like that, but I think it's important to say, so everybody understands, that this $150 million is coming from the clients. It's a user fee. It's not money being provided by—

Mr Quirt: It's in addition—

Mr Hope: What about the other half of the equation, Margaret?

Mrs Marland: It isn't money provided by the government.

Mr Quirt: That's correct.

Mrs Marland: I just want him to finish the other question that I raised. You won't be back tomorrow, will you?

Mr Quirt: Either I or Patrick Laverty will be at all your committee hearings. Patrick is as well or better equipped to answer whatever question you might have.

Mrs Marland: We start the deputations tomorrow. That's why I need the answers today.

Mr Quirt: You're quite right. Of the $647-million investment, roughly $500 million is new funding from the province and roughly $150 million comes from increased client contributions in facilities. I would point out that those facility residents now pay about half a billion a year as it is, about $550 million. That figure is subject to confirmation if the committee's interested; that's off the top of my head. So it is an increase but they do make a serious contribution currently.

Minister Lankin spoke earlier of the context within which Bill 101 is presented. Clearly, the commitment to change the Ministry of Community and Social Services Act to allow us to explore direct funding for disabled consumers is in no way the only way in which the redirection will benefit people with disabilities.

Part of that $441-million annual increase will go to attendant care, outreach-like services, and it will go to increasing the number of support service living unit programs in the province. The bulk of the improvement in services for consumers with physical disabilities does not come from the fact that we have the right. We're asking for the right to pilot direct funding. That's an important initiative asked for by consumers with physical disabilities but obviously there's another context for a commitment of a substantial amount of community service money to expand their service system as well.

Mrs Marland: And the question about paying spouses and their qualifications?

Mr Quirt: Yes. At this point in time we are prepared to and interested in exploring all the implications of that with appropriate consumer groups and provider groups, but we have not taken a policy position that would say yes, we're going to pay someone's spouse to stay home and look after them. Patrick, you may have a more definitive position on this. There has been no commitment by the government to pay family members to deliver the services they provide.

It's important to note, as we did in the consultation, that the lion's share, about 90% of the long-term care that gets delivered in Ontario, isn't delivered by publicly funded formal programs; it's delivered by spouses, family members and friends, and it's certainly the case when it comes to health and social services other than those directed simply at adults with physical disabilities or seniors. Obviously that's the case in children's services as well and the implications of a family care giver compensation policy we're quite prepared to discuss with the relevant parties, but no policy decision has been taken.

Mr Laverty: Geoff is correct. The question of compensation of a family care giver was raised in the redirection consultation paper. At this time, the minister has not made any announcement with regard to government direction in that regard, so at this point she has not yet responded as to how she wishes to go on that matter.

The Chair: I just wanted to clarify that you were going to provide a breakdown of those amounts of money. Thank you, because that would be useful for the committee.

A final, final, short, pithy comment.

Mrs Sullivan: I just wondered if when the ministry officials are doing that breakdown they could also do an analysis for us of the analysis done by the non-profit homes, which would suggest that the copayments are not going to bring in $150 million annually, but something closer to $64 million. I suspect the ministry has done an analysis of those figures and I think that would be useful because we will be hearing from that group.

I also wonder if the ministry could provide us with additional detail on the placement coordinators, on their function—on what is envisioned as the role, function, responsibility of the placement coordinator, whether they'll be working geographically, how they will be tied to institutions and so on. What you said today was news to us. Our reading of the bill does not show that and we would like to have more information.

Mr Quirt: If I could comment briefly, Mr Chairman, that I don't want to speak for OANHSS but I understand their estimate now is somewhere around $120 million as opposed to $60 million. We have met with them to show them how we arrived at that calculation and we're more than happy to continue to discuss with them how that estimate should be arrived at.

The Chair: One of the things I would note is that the parliamentary assistant is on the committee and will be with us as we go along. I'm sure there will be other questions where either he or someone in the ministry will be able to provide us with full information.

Mr Wilson, did you have a point of information?

Mr Jim Wilson: A request for information. I wonder if I could request, since we didn't have time in the more extensive question-and-answer session this afternoon to go into detail on the powers of inspectors, a briefing for the committee concerning the current powers of inspectors so named in the various acts or with the various names they have and functions in the acts we are amending and, second, perhaps what new powers with respect to inspections and access to records.

Mr Quirt: I will ask the staff to compare the current and future powers.

Mr Jim Wilson: I'd appreciate that.

The Chair: Mr Quirt, to you and through you to your colleagues, thank you very much for your presentation this afternoon and response to questions. You indicated that there would be officials from the ministry with us as we go on with our hearings and, as I noted, the parliamentary assistant is here, because I think in other committees of this sort it's been useful at times to either request more information or simply to get an explanation, and we appreciate that. Thank you.

If I could ask the committee just before we break—one thing, this Hansard from this afternoon, it might be early afternoon, so if I could just ask for some understanding.

The other thing is to remind committee members that tomorrow is going to be a long day because we have sittings morning, afternoon and evening.

Interjection: Get lots of rest.

The Chair: Yes, as the member says, get lots of rest.

That being the case, I would like to ask the subcommittee to stay behind briefly. The committee stands adjourned until 10 o'clock tomorrow morning in committee room 1.

The committee adjourned at 1714.

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Hope, Randy R. (Chatham-Kent ND) for Mr Drainville
Jamison, Norm (Norfolk ND) for Mr Gary Wilson
Marland, Margaret (Mississauga South/-Sud PC) for Mrs Witmer
O'Connor, Larry (Durham-York ND) for Mr Owens
Sullivan, Barbara (Halton Centre L) for Mr Daigeler
Sutherland, Kimble (Oxford ND) for Mr White
Wessenger, Paul (Simcoe Centre ND) for Mr Martin

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Tuesday 2 February 1993

Standing committee on social development

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Statute Law Amendment Act

Chair: Charles Beer
Clerk: Douglas Arnott

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Comité permanent des affaires sociales

Loi de 1993 modifiant des lois en ce qui concerne les soins de longue durée

Président : Charles Beer
Greffier : Douglas Arnott

Publié par l'Assemblée législative de l'Ontario
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LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON SOCIAL DEVELOPMENT

Tuesday 2 February 1993

The committee met at 1007 in committee room 1.

LONG TERM CARE STATUTE LAW AMENDMENT ACT, 1993
LOI DE 1993 MODIFIANT DES LOIS EN CE QUI CONCERNE LES SOINS DE LONGUE DURÉE

Consideration of Bill 101, An Act to amend certain Acts concerning Long Term Care / Loi modifiant certaines lois en ce qui concerne les soins de longue durée.

CATHOLIC HEALTH ASSOCIATION OF ONTARIO

The Chair (Mr Charles Beer): Good morning, ladies and gentlemen. I now call the standing committee on social development to order. We are here to review Bill 101, An Act to amend certain Acts concerning Long Term Care. Yesterday we had the minister and officials from both the Ministry of Health and the Ministry of Community and Social Services, and today we start with representations from various organizations and individuals. I would like to call first upon the Catholic Health Association of Ontario, if you would be good enough to come forward. Please introduce yourselves for Hansard.

You have half an hour for your presentation. Even though it's a little past 10, we'll have the full half-hour. Welcome to the committee.

Mr Ronald Marr: My name is Ron Marr and I'm president of the Catholic Health Association of Ontario. I'd like to thank you, Mr Chairman, and members of the committee for allowing us this opportunity to meet with you this morning.

Before introducing my colleagues, who will make the actual presentation to you, by way of background to their remarks I would like to take this opportunity just to tell you a little bit about the Catholic Health Association of Ontario. Our association was founded in 1931 and is a provincial association representing a variety of catholic health organizations across the province of Ontario.

Our membership consists of 38 acute and chronic care hospitals, homes for the aged and community-based, long-term care programs. In addition, the nine religious congregations that own and sponsor these institutions and the Ontario Conference of Catholic Bishops, which represents the Catholic bishops and the Catholic diocese of the province, are also active members of our association.

Ours is also one of the few, if not the only association which represents acute and long-term care, community-based and institutional health and social service organizations.

As some of you know, the Catholic Church has had a long and proud tradition of providing health and social services in this province. The first Catholic hospitals in Ontario were established in 1845 in Ottawa and Kingston. Today, approximately one in seven hospitals in Ontario is Catholic and they operate close to 8,000 beds in large teaching hospitals, mid-sized community hospitals and smaller rural communities.

Catholic long-term care organizations manage over 1,800 beds and sponsor a wide variety of community-based programs. Our health organizations have been leaders in developing a wide variety of innovative, community-based programs and services such as detox centres, an AIDS hospice, specialized services to women and children, family centres, seniors' programs and visiting home care and nursing services.

Our members who share in the healing ministry of the Catholic Church have historically taken a special interest in meeting the needs of the elderly, disabled and disfranchised of our society. Many of our institutions and programs were founded when no others were interested in or able to meet the special needs of these sectors of our society.

We have recruited volunteers and staff who are committed to providing the best quality of care to all, regardless of colour, creed, religious affiliation or status in society. The religious congregations that own and sponsor our long-term care institutions and community-based programs, which strive to keep the people of Ontario in their own homes, have also paid particular attention to recruiting qualified volunteers who represent the communities where our institutions and services are located in order to govern these institutions and programs in a responsible and yet creative and innovative manner.

It is with this background in commitment that we appear before you this morning to share with you some of our concerns about Bill 101.

In our presentation and subsequent written comments, you will see that we support the need to reform Ontario's long-term care system. We also have some concerns, however, about this particular piece of legislation and its potential to impact negatively, not only on the institutions that provide service, but on the consumers of these services who are perhaps the most vulnerable in our society.

To present our observations, I would like to introduce to you Mr Dan Faulkner, who is the vice-president of the Catholic Health Association of Ontario and Sister Roberta Freeman, the recently retired president of Providence Centre here in Scarborough.

Sister Roberta is particularly well qualified to speak to you on this important piece of legislation. She has dedicated her life to the field of long-term care and is recognized as an expert, not only in Toronto but across Ontario and Canada. I'd like to call on Dan and Sister to continue our presentation, please.

The Chair: Welcome to the committee.

Sister Roberta Freeman: I'm very pleased to speak on behalf of the long-term care task force of CHAO relative to this important piece of legislation. I'm going to

speak to two points that we have made in our paper, and Dan is going to carry on with the third.

The first has to do with the valued principle of governance. We feel that there's a potential for an erosion of the principle of voluntary governance leading to less autonomy and flexibility of governing boards to determine the nature and purpose of the organization, as well as its policies and direction.

Bill 101 almost exclusively focuses on operational procedures and it clearly distinguishes between what will and will not be allowed, with specific sanctions for non-compliance. Operating subsidies are pre-determined by regulations and care requirements for individuals will be used to determine resource allocation to each resident. Funding will be controlled by required service agreements, resident care plans and levels-of-care funding criteria. Quality assurance programs will be mandated and reliance on inspection and sanctions will ensure that quality of care meets provincial requirements.

We feel that this piece of legislation, rather than being an enabling piece of legislation, appears to be very restrictive. It would seem that with the government's attempt to bring all providers of service under the same legislation, the concept of governance and the authority of the voluntary board of directors may be severely undermined.

As well, I'm sure we're all aware that the board of directors is responsible for carrying on the mission philosophy and values of the owners of our Catholic facilities. This is a principle and a responsibility that the CHAO supports very strongly.

Boards of directors over the past many years have served homes for the aged and charitable homes and institutions very well and have enabled these facilities to respond to the particular needs of their communities. This has resulted in uniqueness of programming etc among the various facilities, a concept that will be lost to long-term care generally if no flexibility is allowed and if boards of directors have no authority to make such decisions on behalf of the communities they represent.

Our association supports efforts to establish effective accountability mechanisms in long-term care facilities, but we do not believe that stringency will achieve these results. A voluntary governing board in the non-profit system draws multidisciplinary and knowledgeable individuals to play a key role in the governance of each home. Highly skilled board volunteers come from numerous sectors of the community and not only provide a vision to the organization, establishing policies which promote excellence and respond to changing needs, but they also provide an important accountability link to the community.

Again, we're concerned that the inspection procedures and the potential imposition of sanctions could have an undermining effect. Sanctions and inspections can lead to a confrontational rather than a collaborative relationship, to say nothing of the additional cost that this will be to the industry generally, and also to the homes and the service providers because of the time and the paperwork that will be involved in responding to inspections and potential sanctions.

As well, in Bill 101, inspection and compliance through legislation and regulations are established as an important accountability. We really feel this represents a very narrow focus on accountability.

The second point I would like to spend a little bit of time on is the legislation which questions the professionalism of health care workers in long-term care facilities by the proposed accountability mechanisms. One of the points that's made in the legislation is, "To ensure enhanced accountability in long-term care, the proposed legislation is empowering the province to make rules respecting plans of care which will include requirements that homes involve the resident and resident families in the development of care plans."

Of this we are very supportive. We certainly feel that families and the resident should be involved in that. However, within the proposed legislation there is further delineation of how and when to develop the care plan. We contend that this is a threat to the professionalism of health care workers. Standards of practice for nurses and for other health care professionals will be undermined if legislation dictates such procedures.

As well, we know that the care and care plans must be flexible if they are going to respond adequately to the needs of the residents, and we find it very difficult to find how you can dictate these and yet have the flexibility that is required to meet the needs of the resident and the changes that may take place at any given time within the care plan.

I think right now I'll turn it over to Dan to speak to the last points that we would like to make.

Mr Dan Faulkner: CHAO is also concerned that the basic human right of choice which is fundamental to the primacy of the individual and to human dignity could be threatened within the context of the placement coordination model. As we understand it, admissions to each home will be made by a specific placement coordinator who will be charged with the responsibility of determining the eligibility of each applicant based on criteria which meet the levels-of-care funding guidelines. We fear that citizens will not be given any choice in their placement, or where such choice is given it will not be weighted heavily enough within the evaluation criteria.

In October 1991, the ministers responsible for the redirection of long-term care released a public consultation document entitled Redirection of Long-Term Care and Support Services in Ontario. Individual self-determination and respect for cultural diversity were two of the principles upon which all policy decisions would be based.

The right of individuals to choose preferred accommodation with their spouse or based on the ethnic population or religious affiliation of the home must be considered in conjunction with other determining criteria. Bed accessibility cannot be the only driving force for placement; otherwise, people with stated preferences could be placed in available beds regardless of their choice. Subsequently, they might never be admitted to their preferred accommodation as other non-institutionalized individuals are identified as priorities for these beds as they become available. If they are fortunate enough to finally be deemed eligible for that

home of their choice, they will be forced to change their environment yet again, which could be a significant emotional and physical burden.

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Failure to give due consideration to preference in advance will absolutely deny a quality of life that would otherwise be enjoyed with a spouse, with people of similar ethnic backgrounds or in homes with religious affiliation and appropriate attention to spiritual needs.

In Bill 101, individual homes are also unable to fully exercise their responsibility by having limited grounds for refusing a placement and having no guaranteed appeal process. The responsibilities of organizations are just as important as the right of choice guaranteed to individuals. Today, facilities are designed to provide all residents with accessibility to services and programs which meet their specific care requirements. This would include matching residents to areas of the home which allow for spousal cohabitation, easy accessibility to washrooms or easy accessibility to bathing facilities. The facility must have sufficient opportunity to match those residents with the appropriate bed and the appropriate environment. Accessibility to a bed must not override the need for appropriate and safe care in making placement decisions.

For hundreds of years, Catholic health care organizations have provided residents and patients with a quality of life based on a holistic approach to health care interventions. Ignoring a person's spiritual and social needs neglects their opportunity to achieve the highest quality of life possible at this important stage of their life.

CHAO does support the placement coordinator concept, but a more cooperative approach will be necessary to ensure that the above factors are considered to maintain lifestyle choices which are crucial to human dignity and individuality. Failure to recognize this ignores the broader determinants of health and quality-of-life issues which expand beyond the boundaries of our health care system. Therefore, we ask this committee to give careful consideration to both the principle of accessibility and the quality-of-life issue in Bill 101.

I'd like to thank you for the opportunity to express our concerns at this forum, and I hope that we've provided this committee with some thought for further deliberations. Our commitment to this process, CHAO's members' commitment to this process, and the time which has already been invested in consulting and policy development simply necessitate that the redirection be done right the first time, and it's under this premise that we have brought forth these recommendations.

Thank you very much. We'd be willing to field any questions you might have.

The Chair: Thank you very much for your presentation. We'll have approximately 15 minutes for questions. I propose to divide that time equally among the three caucuses, beginning with Ms Sullivan.

Mrs Barbara Sullivan (Halton Centre): I appreciate this presentation. I should tell you that our party has raised, in the House and yesterday in hearings here, the identical issues that you've raised in your presentation to us. I want to speak to the last one first, which is with respect to the concept of choice with respect to placement and the role of the placement coordinator in that.

We were surprised yesterday to hear from Ministry of Health officials that the concept was more of what we wanted and what you have expressed in terms of your requests. We indicated that we felt that the legislation was not written that way, and the Ministry of Health has agreed to come back with an additional presentation with respect to the role of the placement coordinator and the opportunity for choice among the potential residents. So we may have something more, but clearly the act is not written the way the ministry tells us the intent was to be.

As well, I was quite taken with your discussion with respect to the enforcement. It seems to me—and I think Ron would probably remember this—that in about 1986 there was a Woods Gordon study which talked about enforcement procedures failing and compliance management being an appropriate method, and yet it seems to me that the legislation is now calling for a return to the pre-1986 mechanisms of dealing with excellence and standards within the home community. You might want to just speak about what the old way was and if we're going back to that.

We raised the quality assurance. I think the ministry has used the wrong word. I think it's as simple an error as that, but we haven't heard back from the ministry on that point. I'd be very interested in going back more, say, with a comparison of how the old enforcement mechanism worked with what occurred after 1986-87.

Mr Marr: I think I agree with you wholeheartedly, Barbara, but maybe Sister Roberta might be appropriate to answer that. I think she has had some experience in the accreditation process.

Sister Freeman: I guess rather than inspection, which we feel is a very policing way of handling things, we feel that the accreditation meeting certain standards, peer review and these kinds of things are much better ways of handling this. I agree with you. Today continuous quality improvement is what we're all trying to do, and quality assurance is a very, very narrow, almost static kind of way of looking at things. So we included in our paper the concept of continuous quality management, which we think is much more in keeping with what, in fact, the government really wants.

If you have these inspections and sanctions, that just leads to confrontation; it is not a way of ensuring that quality improvement takes place. And again, inspections are one-time static kinds of approaches. Seeing a situation at a given time does not mean that any real good is going to come of it. We in the homes for the aged were not subject to those kinds of inspections. We had accountabilities, and we certainly believe in that. But I feel it's retrograde to go back to inspections and sanctions.

Mr Jim Wilson (Simcoe West): If I may begin on a personal note, with the indulgence of the committee, I want to thank Sister Roberta and the Sisters of St Joseph for having, some two weeks ago, hosted the 50th anniversary of my great uncle, Father Clarence's, ordination to the

priesthood—a personal note from my family and a public thank you. Having said that for the record, we'll get down to business.

Sister, you mentioned in your part of the presentation that you felt this legislation in many ways undermined a number of things. The principle of volunteer governance: I gather you feel that accountability is sufficient, given the volunteer structure of the board system that you now work under.

Secondly, I think there was some worry in your remarks that the way this bill is worded and its approach to this sector may somehow undermine the Catholic ethos or Catholic values that are very much part of your homes. Then I'd like to get into the right of choice, but do you want to expand on that? Do you have anything specifically in mind that we might be able to help you with in changing the legislation to ensure that neither the spiritual values nor the volunteer structure is undermined?

Sister Freeman: Well, it seems that this bill as it's now being put forward, is very operationally oriented rather than being enabling legislation or a sort of broad structure under which we should operate. It seems to get into operational issues, for which we feel that the boards of directors should have the responsibility and accountability.

Whether this directly addresses the question that you're putting before me, I'm not quite sure, but one of the concerns that many of us have about this legislation is that we're taking a very cookie-cutter approach to homes and care, that we're all going to be reduced almost to the lowest common denominator, if you will, which doesn't give the boards the ability to look at some of the special things that that community or that particular facility can bring to the whole field generally.

I'm looking beyond. You know, we can put something in place that might meet today's needs, but you have to look beyond that, to research, education, some of those components that are equally as important as the service you provide at any given time. I think boards should have some way to determine what could be something additional that they could bring to the field, and we don't see that enabling factor in this legislation. I think if we don't look to those kinds of areas of research, education and potentials that some facilities have for some enhancement or for some different approaches that they can bring, the field is going to suffer greatly from it, generally. I think that those are some of the things I would like to see. Maybe it is going to be allowed there, but we don't see it. It seems that everyone has to meet exactly the same guidelines, and when you get right into resident care plans and programming and all of that is legislated, it's not enabling; it's restrictive.

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Mr Jim Wilson: I agree with you and go further, to the extent that so much of it isn't even spelled out in the bill; it's going to be left up to regulations, to a government that I'm not sure understands all of the intricacies. But that's why we have these committee hearings, to make sure that it does.

I want to very quickly, if we can, ask about right of choice. I appreciate your comments regarding the right of choice of institutions, but I just want to concentrate for a moment on the right of choice of clients. I gather, from your remarks, that you would like some mechanism in the bill that gives greater weight to the choice of a client with regard to the institution he or she may want to go to, rather than availability of beds. Have you thought about how we should do that? For instance, what comes to my mind is that we should give some sort of ranking order to specifically say that placement coordinators must, in the following order, take these things into consideration.

Mr Faulkner: I don't think we've given specific thought to actual recommendations for how it would be weighted, but we do bring forth that it should be weighted equally with every other eligibility criterion in determining that person's placement.

Mr Jim Wilson: Okay, equally, or did you want to give more weight to it? Do you want a pecking order or do you want to say that they have to equally take that into consideration? It's difficult putting you on the spot, but you want to make sure it's not lost in the mix.

Mr Faulkner: That's right.

Mr Jim Wilson: Okay, I appreciate it.

Mr Paul Wessenger (Simcoe Centre): Thank you for your presentation. I think it's been made quite clear that certainly the policy is that the person will be given a choice. The choice will be theirs whether they go into a particular institution, and also that choice will be an important factor with respect to giving them priority with respect to a particular institution. Do you think such criteria should be set out in legislation, as distinct from being left as a policy matter? In other words, should there be criteria right in the legislation that take account of such things as the individual's choice or cultural diversity? Should that be embedded in the legislation?

Mr Faulkner: I think our concern was the fact that so much was relying on regulations, and we weren't sure where this was going. We wanted to make sure upfront that this was a very important element of the eligibility criteria. Whether it's in legislation or in regulations, it's very important.

Mr Wessenger: You want to make sure that the general criteria are set out somewhere, either in regulation or legislation, is that fair to say?

Sister Freeman: That choice of individuals will be taken into consideration.

Mr Wessenger: And also recognizing the cultural diversity.

Sister Freeman: Yes.

Mr Wessenger: Right. Now, just a second question. I think I certainly agree with you that the term "quality assurance program" is a very technical term, if I'm correct. Would you prefer to see that replaced by more generic language? I know we always have these terms that are sort of current fads of the moment. Would you suggest something more generic so that we can take account of changing concepts in the future and changing language?

Sister Freeman: I certainly think it would be more in keeping with the spirit of the times to be more generic than to latch on to one or other particular piece of jargon, if you will. I take my cue a bit from the Canadian Council on Health Facilities Accreditation, which I think is a body that is well recognized. They do not want to have a program or anything; they want the principle of continuous quality improvement to be built into health care facilities and for that to be the principle on which we operate. I think I support that.

Mr Wessenger: You'd support substituting "continuous quality improvement" for "quality assurance programs"?

Sister Freeman: Yes, I think I would.

Mr Wessenger: Fine, thank you.

The Chair: Thank you very much for coming before the committee and for your presentation. I appreciate it.

HURONIA HELPERS

The Chair: I now call on the second deputation, the Huronia Helpers. If you would be good enough to come to the front and if you could introduce yourselves. All of those mikes work. Welcome to the committee.

Ms Janet Allingham: Good morning, ladies and gentlemen. My name is Janet Allingham. I am president of Huronia Helpers. We are the parent organization at Huronia Regional Centre. All of our members have direct personal contact with a resident at Huronia Regional Centre. This is one of my fellow members, Mrs Joan Rowe-Sleeman, and Dr Alan Bruce-Robertson. Mrs Sleeman will be making our presentation this morning.

The Chair: Please go ahead.

Mrs Joan Rowe-Sleeman: Good morning, members of the committee, ladies and gentlemen. It's a great pleasure to be here this morning. Huronia Helpers is the parent organization at the Huronia Regional Centre, which is a schedule 1 facility for severely developmentally handicapped persons. We believe that the government has not previously adequately addressed the issues of long-term care for these persons. Therefore, we appreciate the opportunity to appear before the committee and to present some ideas for your consideration.

The image that many people have of a developmentally handicapped person is someone they already know who is perhaps living in the community and functioning reasonably well because of the supports which are in place to assist him. Certainly the philosophy of integration, which stems in part from Jean Vanier's work at L'Arche in France, has been instrumental in changing the historical approach to treatment in Ontario for those who don't function quite normally.

But there are indications that this process of change is like a riderless horse galloping off in all directions. The government is proceeding to close institutions and the residents are being reabsorbed into the general population, but there doesn't seem to be any real understanding of the degree of care needed for these residents and how age will affect them. They are a most vulnerable group and we have seen little, if any evidence that this group of severe to profoundly handicapped people has been considered realistically in policy planning.

Huronia Regional Centre has about 627 residents at the present time. Of this group, 24% are vision- and hearing-impaired, 35% are in wheelchairs, 10% exhibit severe behavioural problems, almost three quarters are over 30 years of age and the remaining residents are over 50. Thus, we have in a single schedule 1 facility a group of people who can actually be said to be already in long-term care, but with the added dimension of mental retardation.

We use the term "mental retardation" for clear distinction, because it can be accompanied by any number of other severe health problems, such as epilepsy, blindness, deafness, incontinence, and severe emotional disturbance which can include rage, depression, catatonic states and self-destructive behaviour. They may also be unable to walk, dress themselves and feed themselves, and they all require substantial, 24-hour-a-day care in daily living.

We feel that there's an alarming lack of understanding of the combined disabilities and that when you add in the aging factor, the problems take on a further dimension. For example, there's growing evidence that Down syndrome people begin to develop Alzheimer's, and the women have a greater problem with menopause and the accompanying bone and heart diseases. So health care is and will continue to be a major factor in the care of our residents.

At the present time very few, if any residents are leaving Huronia Regional Centre for the community. It would appear that their health requirements are so difficult that very few adequate and affordable placements can be found for them. In the Metro area, which is the catchment area for Huronia Regional Centre, there's much pressure from families for group home placements. There are 2,500 crisis situations in Metro where aging parents with developmentally handicapped dependents at home are in dire straits because of their own poor health. Their own age is making it difficult to care for their sons and daughters and they're actually frantic with worry about how they will be taken care of.

It appears that there's no quick or easy way to solve the predicament that management at Huronia Regional Centre is in regarding the government policy to place all the remaining residents in the community. There's a good chance that half will die there and that the remaining half will be very close to 50 before they may be placed, assuming—this is assuming—that the ministry will be fair in helping the crisis list of Metro Toronto.

1040

In a recent Ministry of Community and Social Services document called Facilities Planning Project, May 1992, we read: "From this point forward, community-based services should be the sole model of choice in terms of program development. If future institutional care is deemed necessary, it should occur only through mainstream facilities, eg, mental health and corrections."

The first sentence is in conflict with the opinions of many parents. Again, it's a general statement and does not indicate any recognition of the special needs of most of the severely disabled. In the case of the second sentence, we're not sure what the author really has in mind, but we

view any link or thought of care for our very vulnerable people being associated with plans for mental health or corrections as totally abhorrent. Such plans could easily set our people up as victims of abuse.

Of course, if we had unlimited amounts of money, we could solve the problem overnight, but I don't think that's going to happen and I haven't seen an Aladdin's lamp as yet. However, we suggest that creative, realistic ways must be sought to honour society's obligation to the residents of Huronia Regional Centre, all of whom have suffered through and survived the overcrowded years, the change from the Ministry of Health to the Ministry of Community and Social Services and the downs and ups of changing administrators.

All right. Suppose that ways are found and placements are found for the residents to be in the community: What's going to happen to them as they age and require more and more health services? We understand how critical the hospital situation is. There are very few beds. I suppose you could imagine the plight of a developmentally handicapped person in a grand mal seizure waiting for an ambulance and arriving at the hospital, where there are possibly accident victims and heart patients. An emergency ward is a very traumatic place, yet at the centre they can deal with the problems of seizures in a very quick and effective way with a minimum of fuss and stress to the patient.

We've absolutely no doubt that there will be a serious deterioration of health care for the profoundly disabled mentally handicapped if they're summarily dismissed as easy to care for and scattered in the community, where generic care is often unfeeling, ill-informed and slow. Therefore, in reading the amendments to Bill 101, we would direct particular attention to the following: (1) powers of the placement coordinator in determining eligibility in accordance with the regulations; (2) quality assurance plan; (3) inspection provisions; (4) funding.

We feel that the profoundly handicapped must be a clearly defined group in determining eligibility. They must have all their needs met. The inspector must be aware of their presence and funds have to be allocated for beds that will be needed for them.

Ideally, we would want the government to look closely at alternatives in planning for this group. You hear of the success stories in community integration, but not too often about the failures and the tragedies, of which there are some. We do eventually hear about them but often it's too late.

Admissions to Huronia are declining by edict, but it must be realized that the incidence of developmental disabilities is not necessarily declining. Modern medicine is saving premature infants who may have difficulties later in life. We have the problem of the crack-cocaine babies where the mothers have taken cocaine during pregnancy and may seriously damage the infant. Meningitis is not yet totally conquered, and birth defects are not always avoided by medical science.

We suggest that a more thorough cost analysis be prepared by the Ministry of Community and Social Services regarding congregate care in relation to community group homes. Reliable per diem rates are difficult to come by and almost impossible to obtain. In the ones that we have seen, the study would favour congregate care. We believe that a fair benefit analysis would also favour congregate care for those profoundly developmentally handicapped individuals.

There's much discussion of rights, choices and visions for the developmentally handicapped person, but the special group remaining at Huronia, as indeed at all the other institutions, perhaps are not aware enough to be able to state their preferences in rights, choices and vision. Should there be real alternatives, this would seem to us to include remaining in the home where they have been for so long with friends and dedicated staff, in a safe, structured environment where more than adequate, cost-effective health care is already in place.

Shortly after the plans for deinstitutionalization were introduced, most institutions, including Huronia Regional Centre, converted some ward-style areas to home-style apartments, and they used the homes that were already available on the grounds. Residents who moved into these homes and enjoyed this homelike atmosphere still had the benefits of central services, support staff, health care, kinesiology, recreational and social programs and access to outside community activities.

The original plan was that these residences would be a transitional step before being moved to the community. As time went by, parents observed that there were great improvements in the behaviour of the residents and their lifestyle in these settings. They were able also to check out community group homes. The family-style homes on the institutional property have in fact become a very popular choice for many parents. Those who have adult children in these placements want to retain them. Other parents whose persons are not yet in such a placement would like to have them for their family members.

Huronia Regional Centre is located on a beautiful land site. There is room to build more such accommodation. The land and the heating facilities are available. The services of the needed professionals could effectively be used. Last but not least, the residents are happy. It is interesting to note that clients who have left the centre and moved into the city of Orillia who can walk or have access to a bus often are seen back at the centre visiting their friends and their former home.

While the above lifestyle is a new way of looking at institutions, it is a plan that works. It does not put undue stress on the residents but gives them the ability to make some choices, and for the quality of the services offered, we believe it to be the most cost-effective.

In conclusion, Huronia Helpers sincerely requests that the government, when making plans for long-term care for Ontario residents, recognize and accept the need to include and protect our vulnerable, severely developmentally handicapped citizens.

The Chair: Thank you very much for your presentation. We'll move right to questions. Mr Wilson.

Mr Jim Wilson: I too want to thank you very much for your presentation. I think you are to be commended, each of you, for coming forward and expressing this view to the committee.

Having a riding that is close to Orillia and having places like Camp Hill in my riding, I hear very often from parents who express exactly the views that you are expressing. They're very worried, if their loved ones are to be moved out of Huronia, about where they would go and how they would be cared for.

I think it takes tremendous courage on your part to be as forthright as you have been. We are lobbied on an ongoing basis by many people, often centred here in Toronto, and groups that have very much the opposite opinion and have, I think, a utopian view of the world that everyone can live in a group home setting, not taking into reality, as you have, the fact that there isn't a bottomless pit of money there to ensure that all the needs of these residents are looked after. So I thank you for that.

I am curious to know something. I think the age statistics you have given us in your presentation are quite revealing, but secondly, of the 627 residents, what would your guess be as to how many have been residents of Huronia Regional Centre most of their lives, if that's a fair question?

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Ms Allingham: Some of these people came at a very early age from children's aid. Some of them have come from when they were quite young, four and five years of age. No one really has been admitted to Huronia Regional Centre, except for the very short term, since the late 1970s. They've basically all been there since that time, and a lot of these people have been there a lot longer. Some of these people no longer really have families that look out for them. There has been much made of the fact that people "dump" them there. That's not true. Sometimes there just aren't families. Sometimes the families have so many problems and pressures that they just reach the point that they can no longer cope.

Mr Jim Wilson: I appreciate your saying that, because as legislators it's our responsibility to look at the family circumstances as well as the rights of the client. I think that's often missed in the decision-making process. I think all three parties—mine started with the deinstitutionalization plan—are somewhat guilty of not taking into account the needs of families. I hope that is changing in our attitude around here.

Ms Allingham: I appreciated your term "utopian," because that's exactly the way we view this. Deinstitutionalization had some good points to it: Some of the early people really shouldn't have been in the institutions. They should have a chance to try. Some of them have done well; some of them have not. But I guess that's life.

However, we are down to the people who really would find it very, very difficult. I try to talk to these people, and they seem to understand what I'm saying. But I have a great deal of trouble and they get rather frustrated with me: "Why don't you understand?" But they're happy. They seem to have a bond with each other. They can relate. They understand each other.

We feel very strongly that if you are thinking of their happiness, they are happier making their own bonds than being overpressured. We have many cases where somebody has said: "This person is doing very well. We'll take them and put them here, and they'll do better." There is a limit beyond which they cannot go, and when you push beyond this limit, you have behaviour problems.

Mr Wessenger: I think Mr Hope has a question. If there is time, I will go to my question.

Mr Randy R. Hope (Chatham-Kent): I would like to refer to page 3 of your presentation, when you said, "Therefore, in reading the amendments to Bill 101, we would direct particular attention to the following," and you indicated the powers of the placement coordinator, quality assurance plan, inspection provisions and funding. Then you went on to the issue about the profoundly handicapped. Could you be a little more specific in what you're saying in that area? You made reference to the waiting list of 2,500, I think it was.

Ms Allingham: We felt that when this bill came out there was really no recognition of our people, no distinction between disabilities. There has been no distinction between a person who is in a wheelchair but who has all the mental capabilities, and our people, who have many other health problems. We also have a lot of wheelchair people, and in Huronia there are tunnels and halls and these people love going along them. Put them in a four-bedroom home and how far can they go in their wheelchair? Basically, it was the fact that we felt there was not a distinction made that our people had specific profound disabilities. Does that answer your question?

Mr Hope: So when you're looking at the quality assurance plan, you're looking at the multiple disorders that might be there and making sure they're accounted for in the quality assurance plan, if I'm understanding you correctly.

Ms Allingham: Exactly. You've got it exactly.

Mr Wessenger: I would like to follow up, just to be clear in my mind, with respect to the matter of how this bill and long-term care facilities relate to your concerns about the developmentally handicapped. Is it fair to say that you feel there would be some difficulty in integrating many of the developmentally handicapped who are elderly into long-term care facilities, and that you think that should be looked at as separate types of facilities for them? Is that what you think is appropriate?

Ms Allingham: Yes, because the health care of our people is different from the general population. They have specific problems, and the treatment for these people is different. Orillia Soldiers' Memorial Hospital has figured out certain things that work with these people which are different from what is to be done for the general population; in other words, the treatment for the general population might not be satisfactory for our people. We feel that the health care is very important. We feel this is a specific field of health care.

Dr Alan Bruce-Robertson: For instance, at Soldiers' Memorial, by reason of its proximity to Huronia and the frequent referrals to it, but also with the help of the staff who are now going to be dissolved, the medical staff at

Huronia—people who are in contact with the mentally retarded all the time, the developmentally handicapped, begin to appreciate that certain things that to an outsider appear like a behavioural disturbance are really not, because they know that person and they realize that this is something different. It could quite easily be an abdominal emergency.

We had a very good example of that from one of our members who is a surgeon and who realized that what they were telling him about his son was abnormal and not the way he reacted, and he insisted that they look into things further. They found that he did in fact have gallstones and was getting colic from these. But this went unrecognized for weeks, simply because he was being seen by a practitioner who had no understanding and who just said, "Sedate him or do something with the behavioural problem." I don't myself understand it: If he'd laid hands on his abdomen, and with a stethoscope and a few other things, he should have picked it up. But the manifestation of disease is sometimes somewhat different in the developmentally handicapped because of their disability.

Mr Wessenger: Basically, what you would advocate is that there has to be specialized services available for the developmentally handicapped.

Dr Bruce-Robertson: They will fare an awful lot better.

The Chair: Ms Carter, there's time for a short question.

Ms Jenny Carter (Peterborough): It seems to me that in Bill 101, there is provision for people to get the help they need. They are to be assessed, hopefully to have some share in their own assessment, and be allocated according to that. So I'm a little puzzled as to what the difficulty is here, because if they have the problems that your people have, then I would presume they would go to suitable facilities or remain where they are if those facilities are already what they require. Also, I understand there's an annual update on people to make sure they still have the same requirements.

What I'd like to ask you is, is there something you would suggest we could add to the legislation to clarify that this particular group of people is included in what is there?

Ms Allingham: Yes. These people are in care right now. We are told by the Ministry of Community and Social Services that long-term care in the institutions will be closed; this will be taken away from us. From what we can gather right now, there is plenty of evidence that proper care is not available in the community yet, so we are really asking that our institutions not be closed. At every institution that has been closed so far, there have been some people left over who they have sent to another institution. What is going to happen?

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Our parents are very much in favour of the policy outlined in item 9, which started out as transitional homes on grounds, but it is a group home idea: They get family-style living, but they have the central services. We feel also that this would be more economical. The ministry has found that it has not met its quota in taking developmentally handicapped people from the nursing homes and placing them into the community because of costs, which in many cases are twice what it costs to keep them in the institutions. What we're really asking is, please don't close all our institutions. They're not the bad places they used to be many years ago.

Ms Carter: I think it's obvious that there are some people who will always need that kind of care, and it has to be provided.

Ms Allingham: This is what's worrying us.

The Chair: Ms O'Neill.

Mrs Yvonne O'Neill (Ottawa-Rideau): I thank you, really, from the bottom of my heart for coming. We had the minister with us yesterday, and although we do not have Hansard, I'm very sorry to tell you that she did say that Bill 101 does not include your residents. She talked about some kind of other project and some funding attached to that. When we get Hansard, I will certainly send it to you. I know you've been through the round table discussion process, and I know you feel you don't fit in there either.

Ms Allingham: That's correct.

Mrs O'Neill: There's just a great deal of uncertainty surrounding your situation. I can't believe that people who have been in care since the 1970s—you've suggested that—and longer are not considered long-term care residents. I just can't understand that. In my mind, they should likely have been the beginning of the project because they have been there the longest, their continuum of care being the longest.

It was a group such as yourselves—I'm not sure whether it was you or another centre that brought to my attention for the first time the Facilities Planning Project; I didn't have the document. I think you picked out a key phrase this morning when you talked about "sole model of choice," because if you look at any dictionary, the word "sole" and the word "choice" have absolutely no relationship to each other.

Ms Allingham: We know.

Mrs O'Neill: When you then suggest that there be models on mental health and corrections, particularly the corrections side of it—it is almost offensive.

Mrs Rowe-Sleeman: It blew our minds.

Mrs O'Neill: There is absolutely nothing that has been done in your situation, that I can see, that takes either parents' or residents' choices and attends to them in this particular set of discussions. I feel perhaps it's because of the transfer from Health to Community and Social Services. Maybe there's been some delay in understanding, but you've been as clear as you could be in your presentations, and I thank you so much for that.

Really, I would just like to add that the group home situation is maybe even worse than people around this table realize. In my own community, there have been only five admissions to group homes in the last two years, and they have only been because the parents have either died or have contracted serious illness. The others are struggling

along, and the commitment even to respite care is not there any longer.

I really have no questions for you. I have spent a lot of time with several of you and people in your situation across this province. I am just going to continue to try and present your case, because I really feel very strongly that you have to be included in the long-term care.

Ms Allingham: We sincerely thank you for your understanding.

The Chair: Doctor, did you wish to make a comment?

Dr Bruce-Robertson: Just two quick points, one to Mr Wilson in regard to something he said. I think the present attempts at integration with the community overlook the societal aspect of things, that is to say, the desire of residents or the handicapped to see one another and not have their nearest friend kilometres away. I think this is a very important thing, from my own work in the community with such people. That's the chief point.

With regard to your question about why we don't get this expertise when we need it, some of this expertise is really concentrated in our schedule 1 facilities, or has been, and I don't think it's available generally in the community. I say this with all regard to my colleagues, many of whom, in centres we have visited, don't wish to deal with the developmentally retarded for a number of reasons.

The Chair: Thank you very much for—

Mr Jim Wilson: May I just have a brief sentence to respond to that?

I just want to make sure, doctor, that you understand that what I was trying to impart to you in my remarks is that my caucus colleagues and I do understand that. I appreciate Mrs O'Neill's comments with regard to her party's position because, as I tried to sort of do a mea culpa, we got on this deinstitutionalization trend and I think both parties have come around to having a much better understanding over the past seven years regarding the needs of families such as yourselves. Our challenge is to ensure that this government understands that and that policy is changed in that direction.

The Chair: I want to thank you very much for coming before the committee. If the Chair may be allowed a personal note, a few years ago I had some responsibility for Huronia, among other institutions, and had the pleasure of meeting with the parents' organization from around the province. I just want to underline that the commitment that you had to your family members and to their welfare was always very clear to me. We thank you very much for coming before the committee today.

ONTARIO COUNCIL OF HOSPITAL UNIONS

The Chair: I now call upon the representatives from the Ontario Council of Hospital Unions. If you would be good enough to come forward and take a seat and a glass of water and if also you'd identify yourself for Hansard.

Mr Steve Eadie: My name is Steve Eadie and I'm here representing the Ontario Council of Hospital Unions, in which we represent 19,000 hospital workers right across the province. I'd like to begin by thanking you for the opportunity to be here this morning.

We want to address and talk about the deficiencies of Bill 101, not alone, but also to speak to the larger context of which this bill is a part, and that is the government's attempts to massively restructure long-term care in this province.

This restructuring, which the government refers to as a reform, has been taking place bit by bit and piece by piece over the last several years. Many organizations, including our own, have objected to this incomprehensible approach, which refuses to acknowledge the interconnection of all parts of the health care system. Alter one part and another part is affected. Each part is vitally linked to the other. Close down chronic care beds and there's greater strain put on nursing homes, homes for the aged and community-based services. Cut acute care hospital jobs, budgets and services, and an array of home care services and supports becomes absolutely essential.

The reality is that long-term care is a comprehensive system, yet here we are once again examining only a small piece of the massive overhaul, and that is Bill 101 in isolation. We believe the government has chosen this piece-by-piece approach because it makes it harder for the public to see the full impact of the complete restructuring that's taking place.

Our union has extensive experience dealing with health care policy, and we can say with regrettable certainty that at the end of the day when all the bits and pieces are woven together and all the legislation and initiatives are in place, long-term care will have been fundamentally and irreparably altered for the worse in Ontario. In a few years what we will call long-term care will represent a radical departure from what we now have. It will most certainly not be a change for the better, but will be a system that offers a much lower quality of care and far less service and security to patients and their families.

There has been a fundamental shift. Almost by stealth, this government is reforming and reshaping the system of long-term care. Underlying the initiatives in long-term care are three themes or principles that are shaping the policy directions in health care delivery and that mark a shift in ideology and approach.

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First is the idea that there is something inherently wrong with publicly run hospitals and other public institutions. I would just like to say that we agree with the last speaker. What I heard when I came in was that there is nothing wrong with institutions which can't be changed or reformed, and we support reform of those institutions to make them accountable and democratic. That the quality of care is inevitably better when it's provided in something called community-based services or when it's given in a patient's home is not necessarily the case.

The second, and related, idea is that individuals must bear significantly more of the burden of caring for themselves and their sick relatives. In fact, this concept is elevated to not only being a necessity but a positive virtue.

The third principle is that the private sector can provide care better and more efficiently than public or non-profit agencies can.

Looked at one at a time, these premises don't stand up to experience or our common sense. When they are combined, unchallenged, in a government policy, they are the worst possible news for our health care system.

Bill 101 formalizes these new principles with respect to the provision of service and basic levels of care that consumers can expect.

The bill sends an unmistakable message that consumers had better not look to the province for any meaningful enforcement of standards, that they have only themselves to rely upon. In addition, it exposes a government that has given up on the idea of a non-profit, public administration of health care.

The bill does require the posting of service agreements; that's true. But what happens if there's an infraction or the home does not meet certain standards? There is absolutely no protection for whistle-blowers, nothing that empowers residents and allows them to act on their own behalf and in their own interests. Do we really expect residents to take on the government bureaucracy and the management of the home from their wheelchair or their bed? It is precisely the residents and the employees who can monitor the agreement better than anyone else, and it is imperative that union members and residents accompany inspection tours and that they be legally protected from owner reprisals for their cooperation.

Inspections are conducted infrequently and the ministry has a bad track record in policing infractions. We are therefore convinced that these measures would go a long way to ensuring better conditions in the long-term care homes.

In addition, there is absolutely nothing in this bill, or in any government initiatives that we know of, that deals with issues of democratization.

Residents in nursing homes and homes for the aged have long called for greater influence in the design and implementation of the services provided in their institutions. We believe it is essential to make these facilities more accountable to the government, the residents and the people they serve. Legislation governing nursing homes and homes for the aged should be amended to provide for democratic governance structures.

Between 1976 and 1989, 7 out of 10 provinces reduced the number of private nursing home beds, but in Ontario the percentage of private beds increased from 47% to 54%, making this province by far the largest supporter of the private sector in the delivery of extended health care services.

In addition, the Ministry of Health has assured the for-profit nursing home industry that funding for homes for the aged and nursing homes will be equalized in 1993. We are absolutely opposed to this funding plan. It will further entrench and enrich commercial nursing homes at the expense of homes for the aged. We need a conversion strategy to turn for-profit nursing homes into publicly owned not-for-profit homes, not a policy that makes the commercial sector more viable. The only way to provide decent nursing homes is to remove the profit motive from their operations. The purpose of a nursing home is to provide care to ill and infirm people and not to make the owners of those homes wealthy. It will also mean the loss of 1,500 jobs this year in homes for the aged. We do not think that dedicated and experienced workers should be treated like this, especially since a real need still exists for their services.

The hospital training and adjustment program must be expanded to include all workers in the system. Additional and sufficient money to fund retraining programs must be made available and there must be job guarantees for workers who are being laid off as a result of this government initiative.

For-profit care is inferior. Through long and bitter experience, we have found that the quality of care in for-profit nursing homes is generally inferior, as are workers' wages, benefits and working conditions.

Moreover, we believe that the private nursing home industry in Ontario has not been adequately monitored or properly held accountable for the considerable revenues it obtains from residents and the provincial government.

In 1988, the Ministry of Health's residential services branch changed its system of inspection from one based on enforcement to one based on consultation. The net effect has been to allow private nursing homes to remain largely unaccountable for the services they provide, except during the pre-announced annual inspections conducted by the ministry.

The 1990 Provincial Auditor's report pointed out the flaws in the current inspection and compliance system. Here are some of the findings:

— Over 40% of homes did not receive any visits in addition to the annual licence renewal. Additional visits are important to ensure that standards are met throughout the course of the year.

— Homes were not being referred to the enforcement section for further monitoring and investigation.

— Long advance notice of licence renewal reviews could allow a substandard home to temporarily comply with requirements.

Our experience with the new compliance system is that it fails as an approach. For example, in 1984, 20 homes were charged, 497 charges were laid and 117 convictions were the result. In 1989, a year after the ministry changed its system of inspection, no homes were charged, no charges were laid and obviously there were no convictions.

It's our suggestion that tougher rules are required. This situation cannot be allowed to continue. If the regulations are not tough enough, then they must be toughened up and they must be enforced. Ministry contacts recently told CUPE that the Nursing Homes Act and regulations are not fully enforceable as a result of previous court decisions.

These technicalities, however, do not let the ministry off the hook, in our mind. If the act requires amendments, this should be rectified as soon as possible. We've wasted too many years dealing with a toothless piece of legislation.

Finally, Bill 101 calls for residents of nursing homes and homes for the aged to be assessed and a plan of care developed to meet their requirements. We have serious concerns if the assessment tool to be used is the Alberta classification system. Residents are classified, at most, quarterly to determine the case mix, whereupon the funding of the facilities is determined. Our concern is that patient

assessments will be conducted too infrequently to address the real staffing needs required by patients. This will have a dramatic impact on the workloads of health care workers and on the level of care residents can expect.

Staff who work regularly with residents must have input into the patient assessments. The ministry should require employers to seek and incorporate support staff recommendations on resident care. Assessments should be done on an as-needed basis when the medical condition of a resident changes or deteriorates or, at a minimum, on a more regular basis. The case mix index system must be revised to reflect actual staffing case loads.

Our population, as we all know, is not only growing but aging. Bill 101 and the wider government initiatives on long-term care and acute and chronic care will have an enormous impact not only on today's senior population but on the generations to come. Close to one million Ontario residents are between the ages of 55 and 64, and there are over one million people 45 to 54. The massive restructuring of long-term care that is taking place now has everything to do with the level of service, care and support that these people can expect to receive. But the shape of it, we find, is unmistakably and alarmingly flawed and will set us back.

We don't have to wait long to see the really adverse impact of government policy on health care. Even now, hospital beds and services are being cut and workers in the thousands are being laid off. In another few months, over 18 million paid hours will have been eliminated from the hospital system. We're told not to worry, that community-based services will fill the void. I note that the previous speaker referred to the void of community-based services. We don't see these community services being created, and we don't see the replacement of programs that are being cut from hospitals.

In fact, as part of long-term care reform, the government has committed itself to transferring $37.6 million a year from the provincial hospital budgets to community agencies to beef up home care. But I ask you, where are these agencies, where are the equivalent services and what is the overall plan? When will they be created? The cutbacks that have taken place in our public institutions are only viable in the reality of a comprehensive home care service, a service that does not exist.

Clearly, the language of reform the government and bureaucracy have been using is simply a cover for budget slashing and cost cutting. The Ministry of Health appears to have forgotten the terrible lesson from the 1970s, when mental health care was supposedly shifted from hospitals to community-based services. While hospital beds were closed, the necessary services never materialized and patients were left to fend for themselves on the streets.

Here we go. The disastrous mistake of the 1970s is in the process of being repeated.

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There is money available within the health care system, and there is waste throughout the system. Many organizations, including our own, have painstakingly spelled out on numerous occasions in numerous forums the crucial areas where substantial savings can be realized.

We have pointed out time and time again that huge sums of money could be brought back into the system through a change in the fee-for-service system of payment for doctors.

In our submissions with respect to the Public Hospitals Act, we suggested that the government look at the high salaries of hospital executives and pointed to the 67% growth in the number of administrators over an eight-year period. Meanwhile, the number of staff providing direct patient services is shrinking. Moves towards democratization in this sector would go a long way towards containing costs.

Many organizations have pointed to the additional millions that could be saved annually by reducing waste and inappropriate utilization in the $1-billion Ontario drug benefit program. The government's own program for drugs for seniors is one of the most serious causes of ill health among older people.

Moreover, the existence and growth of for-profit service providers and commercial operations is a loss for every one of us. Precious health dollars that could go into better services and more jobs are simply skimmed off the top in the form of profit for them and a loss for us.

The government has put a big emphasis on community-based services. At present, many services provided through public health units and home care programs are contracted with private medical companies, such as home nursing services, homemaking, oxygen therapy etc. For example, the home care program for Metro Toronto subcontracts a variety of home care services to more than 20 privately owned companies.

The rapid expansion of the private sector into home care causes us concern. In 1978-79, the number of hours provided to Ontario residents was 82% non-profit and 18% commercial. In 1988, the ratios had shifted to 62% non-profit and 38% commercial. At a recent CUPE health care conference, the Minister of Health, Frances Lankin, stated that the ratio is now closer to 50-50. Obviously, the increase in the commercial sector has been at the expense of the not-for-profit sector.

These suggestions for cost saving within the system have not been kept secret from the government. Many organizations and unions have emphasized them again and again. But today, again we ask the question, is anybody really listening to the suggestions we're putting forward?

We tend to doubt that. It is in fact mind-boggling that instead of seriously looking at alternative measures to cut costs, the government opts to slash and burn its way through thousands of jobs and much-needed health services. Why are these crucial components of the health care system, the ones that people depend on the most, the first to go?

While the government is complaining about rising costs and is shifting some of the financial burden on to residents through user fees—in fact $150 million to $200 million a year will be raised by increasing user fees to residents in nursing homes and homes for the aged—it is ignoring other areas where substantial savings could be realized without sacrificing the quality of care.

We suggest that the pace of the profound changes be slowed dramatically and that before the continuing reforms are brought in, we all be allowed to examine them for the reasons I've outlined, such as that the community services are not in place. There are urgent and compelling reasons to stop this so-called reform until all the systems are in place and until the public has had a real say and more than just a token consultation.

When we examine Bill 101, we just see more of the same kind of approach that is happening in the rest of the health care system: more of the same rationing of services and care, more warehousing of the elderly, more nickel and diming.

We, all of us, deserve a better health care system than the one we're headed towards. It is, after all, our lives and health that are on the line. If we are to have real reform, reform that works for us and not against us, then we must have more space and time to tackle the really serious issues of health care. The government clearly needs more space and time to come up with a workable approach that can meet our health care needs in the decades to come.

The Chair: Thank you very much for your presentation. We'll move right to questions.

Mr Drummond White (Durham Centre): I want to congratulate you on your presentation and the thoroughness of it. There are a couple of things I wanted to pick up on. As we know, CUPE represents many workers in the hospital sector, but you also represent most of the organized private for-profit nursing homes, do you not?

Mr Eadie: We represent approximately 40,000 members overall in health care, 19,000 of whom are hospital workers, which is the group I'm from.

Mr White: But the majority of the organized nursing homes would be organized by CUPE.

Mr Eadie: That's correct.

Mr White: So when you speak of the issues that you do here with regard to the commercial sector and with regard to the issues about not-for-profit centres, some of your own members would be working in the for-profit nursing homes. As their voice, you are saying that care is more appropriately done, more appropriately offered in a community-based, not-for-profit centre?

Mr Eadie: What we're saying is that we abhor the move to more privatization in those homes.

Mr White: I'm curious. One of the rationales that's being offered is the issue about the inspections, the quality care agreements, those kinds of things. You seem to be very critical of the inspection mechanism.

Mr Eadie: That's right; yes.

Mr White: Has there been any involvement of hospital workers with regard to inspection?

Mr Eadie: There's a feeling of fear in the institutions and in the homes; not to be involved in the whistle-blowing because there is no protection for people who get involved in making those types of assessments. What we're asking for, and what I hope I outlined clearly here, is that we would like legislation to provide protection for people who do these kinds of assessments which would be critical of these homes.

Right now, people need that job and don't feel they can come forward with complaints they might have about it because they don't have the protection. That's one of the aspects I wanted to make clear.

Mr White: If the inspection system was changed, for example, so that at the provincial level there was representation from the affected workers' groups, such as CUPE, and there was whistle-blowing legislation which would protect people in the for-profit centres, if they speak of the concerns they have, then that would ameliorate some of the problems with the inspection system.

Mr Eadie: Yes, we believe so because those people are intimately involved. The people who work there are intimately involved with the necessity of the level of care and how the operation is being run.

We find this all the time within hospitals as well, that the people who do the work on a daily basis and understand the operation intimately are not consulted as to how improvements might be made in the delivery of care, and that's what we'd like to see happen.

Mr White: Have you made those recommendations to the minister?

The Chair: I'm afraid we're going to have to move on to the next questioner.

Mrs Sullivan: Thank you very much. As you may suspect, we have some points of agreement with some of the points you've raised in your brief and we profoundly disagree with some of the other ones.

I'm interested in the argument you make that the assessment patient classification should be done more frequently than annually to alter the staffing case load requirements. We discussed this with the ministry yesterday with respect to altering the funding, which of course has an impact on staffing capability. The Ministry of Health officials indicated that statistical data show evidence that an annual basis for testing and assessing patients in terms of the overall care needs within an institution provides a realistic approach with respect to stability in funding requirements. I think that will be one area where we will ask Ministry of Health officials for additional information, as you have raised it in your presentation.

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We are also concerned about the level of enhancement of community-based services that you have raised, as institutional care is being restructured, and we have raised that.

In my view, witnesses before the committee must be extremely responsible in the charges that are brought to committee, and I would be very interested in knowing what data you have that support the argument you have placed on page 6, that "the quality of care in for-profit homes is generally inferior."

While you're thinking about that I'd also ask you, what additional capital requirements do you think would be placed on government were there no for-profit or commercial enterprises involved in the long-term care, ie nursing home sector, since the private sector is of course providing

the capital for those facilities now, which would otherwise become the role of government?

Mr Eadie: To deal with the first question—I might have to get you to repeat the second question because that sounds like a tough one—I don't think the first one is very difficult to answer at all. Where do we get our information from? How would we verify that? We would verify that through having a full inquiry, which we asked for two years ago, into the health care system, and particularly into the private nursing homes, and by having people such as yourselves make the effort and take the time to go out and talk to some of the people who receive care in these homes and some of the workers who are struggling to provide that care, because they will tell you face to face, as they have told us, what the level of care is and what they are attempting to do within those homes. They will tell you the stories they tell us, which for them are not anecdotal, but a part of their daily lives.

That's where we get our information from. There has been a far more comprehensive brief compiled by CUPE which indicates some of those particular problems, which has been sent along to the government, on all the questions of health care. So that's how we verify that. We're happy to talk with anyone further about it, but that information comes directly from people who are involved in the health care system.

Now your second question was regarding capital, I believe, and maybe you could just put that to me again.

Mrs Sullivan: The private sector's involvement in the nursing home sector has eliminated the need for capital infusion from the taxpayer base for the building of and expansion of nursing homes. In the public sector base, it's the taxpayer who supplies the capital requirement. What additional costs do you think would accrue to government were there not the capital infusion from the private sector?

Mr Eadie: That's a good question, and I think you know I don't have the answer to that. If we're going to make a health care system that works, we have to look at, first of all, where we can find moneys within that system. Now, I don't know how much it would cost, but I have a question that I'd like to ask you.

How much do you think we could save if we chose to have a system where the doctors were on salary and we made institutions accountable so that we could monitor the money they were spending, not only on their salaries but on other things? That, I think, is a really substantial question that we have to start addressing so that we can move some of that money into what you're obviously saying would be a very expensive proposition.

But you see, within the health care system right now we don't know what money is available to do what with, because nobody's saying because there's no system of monitoring it.

The reforms, as they're called, that are happening are happening with people who make $30,000 a year and provide front-line services for doing that. I think there's a problem when we just start talking about how much money it would cost. Well, how much money do we have?

I want to make just one more point on that, and that is that I don't think we're suggesting there be an immediate move tomorrow to change the private nursing homes over to public homes. What we're suggesting is that there be a stop on the drift towards the private sector within these institutions and within the provision of health care generally, because I think what you're seeing in the United States is interesting. One of the fastest-growing industries there, and one of the fastest growing industries in Canada, is the provision of health care, the services involved with health care. I don't think we want to be moving in a direction where health care is privatized. I can't tell you how much it could cost exactly, but I can tell you where some of the money could come from to defray some of those costs.

Mr Jim Wilson: Mr Eadie, it'll come as no surprise that, on behalf of my party and the PC caucus, I profoundly and adamantly disagree with your attack on the private sector, while I do mildly agree with some of your comments regarding the void in community-based care.

One of the reasons I disagree with your wanting to shift, I gather on a gradual basis, health care totally towards the public sector is that I look at the day care experience here in Ontario, where the government is spending more than $100 million—I'm being kind by saying that; it's closer to $200 million—over the past little while and over the next year simply to drive the private sector out of operating day cares.

You claim there are huge profits being made in the community-based, private sector nursing homes, for instance. The nursing home operators I know don't make huge profits; the same with the private operators of day cares in my riding. In fact, they made a far larger salary when they converted over to a non-profit centre and became executive directors and paid themselves huge salaries, far more than they ever made in operating the day care in a place like Stayner in my riding.

That experience has not been a good deal for taxpayers. The government's spending over $100 million. That money doesn't give you any more spaces and it doesn't give you any more subsidies, where we know the real demand is.

When we hear this sort of attack on the private sector, I'll tell you, in my riding my taxpayers hold on to their wallets and duck for cover. The term "not for profit" I think is misused. It's an insult the way CUPE uses it now in presentations to committees, given that we have a lot of legitimate, long-standing, non-profit organizations and charitable homes for the aged, for example, that do a tremendous job in the community.

Just to be clear and on the record, my party firmly believes, and we think the history of Ontario shows, that a proper mix between the private sector and the public sector in the delivery of health care services and in the nursing home sector is vital to this province.

Frankly, I think you should be coming to this committee—and I'm surprised you haven't patted Ms Lankin on the back. She's doing your bidding for you in parts of this legislation. Again in this legislation we see the government's preference for the not-for-profit sector in terms of capital

funding. There's a bias in this legislation, and you've not pointed that out in your bidding at all. The minister has very clearly put the government on record as moving in the direction of the not-for-profit. In fact, nursing homes and private operators have come to us very much worried about the direction and bias contained in this legislation.

Having said that, I agree with you that the deinstitutionalization dividend, the money that's been saved, theoretically anyway, in closing some 5,300 hospital beds in this province, has not been transferred into community-based services. Where we've seen the government in this legislation try and put money into the nursing home sector and the homes for the aged sector, we find that, as you mentioned, $150 million of the $200 million that's promised comes in the form of user fees.

I want to ask you about user fees, because I think my party was inaccurately portrayed in the last election as being in favour of user fees. In fact, our position was that we wanted to spark the debate and not continue the fallacy that there aren't user fees in our health care system now, in many areas in the health care system. Is it not an about-face for the NDP to now be coming in with $150 million worth of user fees when it campaigned against this in the past and when CUPE was solidly, I believe, on side with the NDP in the fight against user fees? I'd be interested in your comments on that also.

Mr Eadie: First of all, I want to say that I certainly respect your opinion when you talk at length about the issue of privatization. We obviously don't agree.

On your question about user fees, we do not support user fees. There is an entrenched use of fees within this part of the health care system, and I think I was clear in my brief that we oppose the increase in that.

The Chair: Thank you very much for coming before the committee and for your presentation.

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DIAN GOLDSTEIN

The Chair: I'd now like to call on our final witness for this morning, Ms Dian Goldstein. Welcome to the committee. I believe your brief has been handed out earlier; in fact, I think there were two documents you submitted to the committee. Please go ahead.

Ms Dian Goldstein: Mr Chairman and members of the committee, thanks for allowing me to come this morning. I know you have my briefs before you.

In 1982 my parents became involuntarily immersed in the health and social services system, and I was necessarily drawn in at that time. Attempting to advocate for and help my parents find appropriate quality services, I endured experiences that I would like to forget. I am here today as a former care giver for my mom and dad.

The abbreviated personal story that you have indicates that my parents lived in a chronic care facility. Written research, as well as the observations of both professionals and non-professionals alike, indicate that those people who live in chronic care have needs not unlike those residents in municipal and charitable homes for the aged and nursing homes. In fact, it is my opinion that chronic care hospitals should have been included as part of this Bill 101.

I'd just like to read a little bit about my story, seeing as I am here as a care giver. For eight and a half years I advocated on behalf of my parents. As you can see, the first part of my story indicates that I was really lucky in an acute care facility, because I had people on the floors who provided not only excellent staff but communicated effectively with me, and family was really part of the team.

Unfortunately, when we moved to the chronic care system, it was a different kettle of fish. From the first day of admission, I felt like an intruder. I was not part of that private club. No one offered to talk to me much, nor did I get any specific answers when I asked questions. No one wanted my help, the way they had in the acute care facility. Although a social worker did speak to me and my father and did take a full history of my mother, that information remained right in the social worker's notes; didn't get out of the writing, not into the people's heads.

During the entire six and three quarter years that I spent in that facility with my mother, the doctor, for six and three quarter years, never referred to my mother as "your mother, Mrs B, Vera" or any more personalized term. My mother lost her name. She was "this lady" for all intents and purposes for all that time.

I did go to family meetings regularly, but unfortunately, just describing my first meeting will set the precedent for the entire rest of the time I was in this facility as a care giver to my mother and to my father, who ended up there eventually. When I did mention that no one communicated much, seven people around the table said things like: "I don't know what you're talking about. We all talk to your mother at length. Your perception is wrong." I was feeling a little intimidated, but then I said, "But I thought this was going to be her home." The doctor replied: "This isn't her home. We could ship her out any time we like."

Talk about devastation. The meeting was not meant to help me. It was meant to intimidate me, to keep me quiet and make sure I didn't rock the boat again or they would get rid of my mother. I was to believe that the professionals' knowledge was accurate, correct and important and that my knowledge and experience was not valid, nor was it to be believed. If this was what they called team playing, I was not on their side of the field, and they never intended that I should be. The feeling of being demoralized, diminished and demeaned was everyday fare for me. I never left the facility without crying.

My dad died in 1988 and my mother died April 1990 and I am just now beginning to put this humiliation behind me. I would like you to know that my experiences are not at all unique. I am sort of on a grapevine of telephone messages now, and people who know that I have suffered through this and that I have been involved in advocating for the elderly in institutions for years call me with regularity, and I can tell you that I get these kinds of calls all the time. What I have shared with you is really quite minimal.

There's been very little research, unfortunately, for families or representatives of the institutionalized elderly. It's really as if we're not there. We're unnecessary appendages, and I'd like to recommend—and I think they may be

considering it, although without any regulations in the act or anything specific in guidelines, I don't know what it is—a family plan so that when there are families or representatives who want to be involved in care, there are meetings—and not just the resident care plan, which is discussed in the act regarding nursing and personal care; I mean family plans, family care, how the family can come to a facility and help in any way they want, which is in working with what is happening at the facility. I sure didn't have that.

One of the main things I want to bring up today as a consumer is the information to the public. May I tell you that it does not exist. The people who call me—and many other people I know who are concerned about these issues—talk about the difficulty the public has in finding out information. It is not available, and when you do find someone to talk to, you don't hear much important information. It's all kept kind of secret and under the rug. The public must be notified about non-compliance with the acts and with the regulations and, as well, the actions or sanctions taken by the government and if—I repeat, if—any enforcement has taken place.

I noted with interest that the gentleman before me from the union also mentioned about the inspection system being flawed and that tougher rules are required. I suggest, as he mentioned, that you do read the auditor's report from 1990. There is not enough in this act about sanctions and enforcement and notifying the public. I think that lists of facilities that have had violations should be printed regularly in the newspaper so that the public can see it. I'll tell you something: I'd even offer to pay for it for the first couple of months if that's the problem.

I think these lists, including the violations, the sanctions and the enforcements that should follow it, should be sent to advocacy groups around the province, to discharge planners in hospitals and to the newly discussed, comprehensive multiservice agencies.

I can tell you that I have spoken to a discharge planner who did not want to recommend or had told a family not to go to a particular nursing home. The nursing home found out. The nursing home contacted the administration at the hospital, the hospital put their hands on top of that discharge planner and that discharge planner kept her mouth shut. So that's how the system works. We can't recommend which facilities, but let's put the facts out. Why shouldn't it be in newspapers and why shouldn't discharge planners know about it?

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People who do this "placement," which is another word I find inappropriate, don't even know about facilities; they've never walked into them. There should be bimonthly reporting, as I said, in the newspapers, but it must be made clear which homes have the fewest violations and which homes have the most violations. How can the average consumer measure the care that is given if he doesn't know that?

We also heard from the gentleman before about employees being afraid to speak up. I can tell you that residents and family members are terrified to speak up because they know their family member will certainly receive some sort of reprisal or some sort of negative behaviour. Not that we consider our facilities hotels, but every hotel room you walk into has a little card that asks: "Are you satisfied? What would you like to see improved?" Why don't we have little cards in these facilities sitting in the hallway—not necessarily in each person's room so they'll know when it's gone and who sent it in—for any family member or fire marshal who goes in or even the consultants themselves from the ministry who might be afraid to say anything about that facility because they might be in cahoots with the administrator? Let's have anonymity in being able to complain by sending in cards to appropriate people: to you, to the residential services branch, to the people in the Ministry of Health themselves. We've never had the compliance adviser's or inspection telephone numbers or the doctor's number on the wall because, again, it's one of the world's best-kept secrets.

About the Advocacy Act: It was passed here December 1992 on third reading, and of course the purpose of this act is to assist vulnerable people, and there are 60,000 of them sitting in nursing homes and homes for the aged. They're vulnerable. Why are they vulnerable? Because they're dependent on the institution, and anyone dependent is vulnerable.

I'm very disappointed, although the acts seem to cross a little bit, that there isn't evidence in Bill 101 of the Advocacy Act. They really must be interconnected so that an administrator can call an advocate if necessary, and in fact she should be mandated to do that if she sees things that aren't working well in that facility. If she doesn't, there should be a sanction as to why she doesn't to make sure that she or any staff member does, because many residents don't have access to the outside world or telephones or families.

There are statistics that 40% to 70% of people living in these facilities don't have anyone to come and visit them. Therefore, if the staff doesn't assist them, who will? We just can't put it in there that the staff should or the administrator should, because the resident or the family member will be afraid. There should be a sanction if they don't call, and I really reiterate that I think there should be some connection.

Although I was very pleased to see that adults with a physical disability will receive direct funding to purchase services of their choice, I was extremely disappointed that the act does not specifically include those over 65. The message is that seniors and care givers are not responsible, yet the literature shows that they do not take advantage when they're given extra services or extra money. Tell me, is justice served when younger disabled adults can have someone manage and purchase services for their care but seniors can't? This is agism at its worst.

There are many issues about the appeals and the coordinator. As I said, "placement" is sort of an inanimate word. Can we not call them "coordinator for new residents" or "accommodation coordinator"? Of course, I have about 12 things about the appeals. If someone is refused admission, they have to wait an awful long time to apply again. If the coordinator points a finger and says, "Yes,

consumer over there, resident, you go to ABC nursing home," but my family doesn't live at ABC nursing home, and besides, I was a diligent consumer and went to the nursing homes branch of the ministry and went to the library and saw that ABC nursing home had an awful lot of violations and I don't want to go there, I don't see any appeal for that.

I would like to draw your attention to appendix A. These are compliance review reports. This is the yearly annual licensing when the compliance adviser goes into the facility and they find if there is any non-compliance with any of the regulations or the act.

On the first page here they don't call it violations. Do you know what they call it when they find something wrong? "Findings." "Findings" in a sense to me really devalues what they have found. Let's look at the word "theft." When someone steals something, do we say, "He was found that he took a car"? No, he was a thief. And when you have a finding where someone has been sitting in faecal matter for 10 hours, that shouldn't be a finding; that should be non-compliance. That's a violation of the act.

When you turn over and you look over here, you see "unmet criteria outstanding from February 26 and February 29," and this is in September. Were there no sanctions applied? Were there no follow-ups applied? It's over six months and they're still in non-compliance with the regulations. I find that very distressing that there haven't been any sanctions.

I have a number of things to say about sanctions, but I see that my time is drawing to a close. I would like to just mention one or two other things, although I do agree with the gentleman that the sanctions have to be very clear and that there should be an outline of plan for correction for every facility when a facility is found in violation. After an immediate sanction is imposed for a violation, there should be guidelines listing how long a facility can have to correct that problem before we have an incremental sanction or a more severe sanction.

On the next issue of the residential services director, I guess you're aware that there's a round robin of people in charge at the residential services branch. We have had a rotating director now since August 1992. I just wonder how an entire department of staff serving thousands of residents cannot have a stable director. It really gives me the feeling that residents in long-term care facilities aren't that important, and once again old people in institutions come last.

About students learning in community colleges and universities: I have spoken to a number of teachers, people who are learning to become health care aides, registered nurses, activationists, registered nursing assistants. At school they might learn about residents' rights and basic care and resident autonomy, but often the reality in the institutions is the antithesis of the subject matter in the classroom. Students get two messages. They see and hear abuse and recognize violations; they return to the classroom and both the teacher's and the students' hands are tied. The teacher's hands are tied because if she complains about what the student saw, she may not be able to have her students in those facilities and she may be blackballed, and her students have to get out there. If the students complain—they're starting out on a new career. Why do they want to complain, when they might be blackballed and never get a position in the new career of their choice?

I think that facilities that have very large numbers of violations—not "findings," but violations—and are in noncompliance with the act shouldn't be allowed to be facilities for students to do their practice work in. I think that should also be listed in the newspapers and the public should be aware of that. If there is any real commitment to improving the quality of care, one cheap place to start is with new students: not let them go to those facilities, and provide good role models for them.

That's all I'll put in my brief this morning.

The Chair: Thank you very much. I think I would be expressing the view of the committee if I said we regret very much the reasons which have led you to take such a strong interest in the whole field. But that having happened, we appreciate the fact that you've come forward to the committee as an individual to make your presentation.

As Chair, I would just note that in one of your documents you indicated how some people would feel intimidated about coming before a committee. Perhaps I could say to you that while the witness list is set, in terms of people who might wish to send in, through writing, comments about situations or their own views, those are certainly accepted and we would encourage that to happen.

We have some time for questions. I'll be calling upon one person from each caucus, and I would ask you to be to the point. We'll begin with Mrs Fawcett.

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Mrs Joan M. Fawcett (Northumberland): Thank you for coming before the committee. You certainly have painted a picture that possibly we would not even realize in so many cases is out there, and yet we do hear of similar things. It is unfortunate, your eight and a half years witnessing the care givers and possibly what wasn't there, and we do sympathize.

I guess I would like to know whether you feel, then, that there is a place for institutional care. Obviously you haven't had the best association with it, but do you feel that there really is a place? Certainly your comments around the placement coordinators and the lack of choice we agree with wholeheartedly in that we want to see that there definitely is that choice and we are worried that this is not going to happen, although we were given some assurance by the ministry that what we believe and what is in the legislation is not what the ministry intended. But we would certainly want to see proof of that.

You went on at great length about the involvement of the family and what you would like to see and the changes you would like to see around the involvement of the family. How would you see the service agreement including the family so that everyone can be assured that the best care is being given?

Ms Goldstein: To try and address all of the issues: First of all, if it was up to me as an individual, I would like to see total deinstitutionalization. I would personally like

to see alternatives in place of institutionalization such as group homes, apartments that have four individual people in each particular apartment, or a congregate living area where you may have one floor for chronically ill people who have separate bedrooms off that one floor and maybe have a congregate dining and living area in the centre. Let me tell you that there are some people who have told me they want to live in an institution rather than be in their own home because they don't like that isolation. But they could have that in the congregate kind of environment with the alternatives.

In terms of the community-based services, although we haven't seen the comprehensive legislation on that as of yet, I am extremely concerned that the monitoring and the enforcement that I discussed in institutions will also be not in place for people in their homes. Right now I know case workers who survey 60 homemakers in the homes and there is no one who goes to monitor what the care is. Is there any abuse? Are things being done? Do they leave an hour early? Do they shop for the individual and take advantage of that and take things out of the shopping? So unless there is an appropriate monitoring of the community-based services in the same legislation in which the services come, I'm worried about it.

In terms of families being involved, I think it would be interesting for families to be involved in the care and resident plan and be there. People don't just start their lives when they move into a facility. They have a continuity. They have habits. We all have certain habits about what time we want to get up, what time we want to have our shower, whether we want our orange juice at 7 or at night. These things are free. These things don't even cost money to be able to do this for people. I think the family should be involved in helping with that kind of care plan, if there is a family. Believe me, there would be a lot more visitations if the family felt that they were wanted in that facility.

I think there should be two plans: the medical plan that they are talking about under the classification system, which I have some problems about but no time today, and a second plan about how the family is going to come in and help. I know staffing is short, but if the family was involved, they would come and do the recreation. You've got a lot of good experience out there in those family members who could come in and do things: take people out on trips, make sure they were outside, help them use the telephone. Maybe you could just have a person do telephone day where they could phone their friends, because the staff doesn't have time. So I see it in terms of two separate plans: the family helping with the care plan involving medicine. I hope that answered your question.

Mrs Margaret Marland (Mississauga South): Ms Goldstein, I identify with a lot of what you've said. I think for those of us who have personally experienced it, we really do understand. I think it's like everything else; until we experience it, we don't know what is going on, and it's the same with our health care system, generally, in the province. Fortunately, the majority of people are well, and it's only through personal experience that we see what the concerns are.

Was your mother in a nursing home or, do I understand from your brief, in a chronic care hospital?

Ms Goldstein: She was in a chronic care hospital. But I'd like to tell you, as I indicated initially, that I have been in and out of many homes for the aged, charitable and municipal as well as nursing homes, and the type of resident who is in all of these homes is very similar. Maybe it wasn't 15 years ago, but today it is.

Mrs Marland: Did you complain to your MPP or anybody about your experience with your mother?

Ms Goldstein: I'm so glad you asked me that. You see, I came into this as a naïve puppy. I came in grovelling, asking so nicely at the beginning: "Could you help me? Would you mind? Of course I'll wait half an hour." I complained to the administration at this facility. I was very involved with the corporate administration as well as the front-line staff, and it wasn't until I began to really get involved that I was ready to go to an MPP. But my parents at that time were very ill and I never did and I'm sorry that I didn't, because I didn't know to do that. I didn't have anyone to tell me.

Mrs Marland: Most people don't know to do that either.

Ms Goldstein: That is one of the things that should be in the handbook and that should be in the newspapers. Maybe it's incumbent on you people, the MPPs, to say in the booklets that you hand out to your ridings: "Are you having trouble with quality care in the facility in which you live in my riding? If you do, I want to know about it. Tell me. I assure you of confidentiality." Maybe you have to be more involved and ask people.

Mrs Marland: Well, my own family's experience is in both sectors, so what else can I say in terms of negative experience?

You referred to standards. I think that's a very important point that you made, that there are no standards, there are no overall plans. If we're going to deal with community-based programs and alternatives for care, we have to know what those programs need to be. I think that everything you have said, the fact that you are now advocating for other families, which I gather is what you're doing, is very creditable and I really commend you for doing that. I appreciate the fact that you're here today telling us what we as individual members can do, which is important for us to hear as well.

Ms Goldstein: I would like to say I have some dealings with some of the civil servants who are writing, and my understanding is that there are standards and there have been committees and there have been consultations, and the standards sound as if they're being written quite appropriately for institutional care. I don't know about the sanctions and I don't know about the enforcement, but I think that the standards are there. Whether they're going to be followed up and monitored appropriately so that they're enforced, I haven't received that information and I'd certainly be interested in seeing the regulations before they're in place, because I'm not aware of them. I know that there has been a lot of writing and they're trying to beef it up, if the information is coming to me clearly, but I tend to be

cynical after so many years because I hear things are going to happen and then they don't. But they're certainly trying.

Mrs Marland: But it's the standards for the other areas that you were talking about: the home visiting, the shopping and the things outside of the actual institutional care.

Ms Goldstein: Again, I am aware of them writing standards for the institutions. My sense is, although I have not heard personally, that standards are also being written for community-based care and people's homes. I just have not been party to it personally.

Mr Jim Wilson: We haven't seen them either.

Mr Wessenger: I would like to thank you very much for your presentation. I really found it interesting to get sort of a consumer perspective on this whole question. I don't know whether you're in a position to answer my question, but first of all I'd like to know, do you feel you're in a position to know the extent of this problem of non-compliance in our nursing homes and homes for the aged? I want to know, in your opinion, is it sort of a widespread problem that's right across the whole system in a large number of or perhaps all institutions? Secondly, is there any difference with respect to the compliance between the non-profit and the for-profit sector, from your experience?

Ms Goldstein: In terms of the extent, I think it's pretty rampant, and it just depends what issue you want to talk about. I don't think I have spoken to any consumer who has said that their family member has not been sitting in wetness from head to toe on many occasions, or in faecal matter for many, many hours, or pulling a bell to have someone come and put them on a toilet. That's why we have incontinence. Many of those people who live in these facilities would be continent if there was regular continence training where people would be put on the toilet every two hours.

So I believe it's rampant, and if you want to look at neglect in terms of abuse, there is neglect. I don't want to put a per cent on it, but there's just not time to talk to anybody or to pat anybody on the shoulder, or to clean people's nails regularly or to sit with them while they're drinking their juice. I just think it is rampant, and I think all you'd have to do is go and look in the library at the Ministry of Health.

And about that, as a matter of fact, it's very good that the reports are available for the public, but I ask at the library, "Can you answer my questions?" and what the librarian says is, "Will you go up to the fifth floor and ask someone there?" Except that I think there should be someone's name available who is a resource when people go to that library so that there's someone available who can answer their questions. In other words, that's their job as part of the government. They are to be sort of a hotline or have a hotline or be a government representative for consumers so that they can ask someone.

In terms of the not-for-profit and the for-profit, what I can say is, when I was on the board for five years—I am not now—of Concerned Friends of Ontario Citizens in Care Facilities, I can tell you that in terms of complaints, for about three or four years, we had complaints five to one. The for-profit had more complaints. That's about what I can say about it. As far as the last couple of years, I don't know the answer to that.

The Chair: Thank you very much for coming today before the committee. We, as it has been noted, appreciate having your views, in particular as a consumer, as well as the work that you've done beyond that with some of the organizations. So thank you very much again.

Ms Goldstein: Thank you very much, Mr Chairman.

The Chair: The committee now stands adjourned until 2 o'clock this afternoon.

The committee recessed at 1213.

AFTERNOON SITTING

The committee resumed at 1405.

The Chair: I now call the afternoon meeting of the standing committee on social development to order. We're reviewing Bill 101, An Act to amend certain Acts concerning Long-Term Care.

ATTENDANT CARE ACTION COALITION

The Chair: Our first witness this afternoon is Mr Ian Parker from the Attendant Care Action Coalition. It's good to have you here at the committee. We have half an hour for your presentation and discussion. Please go ahead when you're ready.

Mr Ian Parker: I am coming as a representative of the Attendant Care Action Coalition and I come before you to ask you to do two things as members of Parliament: (1), please pass the amendment that will enable a direct funding option for attendant services to be included in the legislation; and (2), please do not allow the destruction of attendant services within long-term care redirection.

The Attendant Care Action Coalition was formed about 1984-85 to protect orders in council, which were then a direct funding mechanism for attendant services. Our goal has been to advance direct individualized funding beyond those few orders in council. We view direct individualized funding as an essential option for the person who has a physical disability who wants to manage his or her own attendant services.

Direct individualized funding allows a new, non-traditional approach to meeting needs. It stands apart from service delivery or service provision, which is the supply approach where someone else, an organization and manager, controls an attendant service delivery system on behalf of people who receive the services.

Instead, direct funding gives the individual consumer the power to provide for himself or herself. This is consistent with a demand approach. Direct funding is a grant or allowance to the independently minded consumer who chooses the responsibility to hire and manage attendants so as to be in control of meeting his or her own needs personally.

We stress that this is a needed option for certain consumers' needs. It is not, however, sought as a blanket replacement for meeting other consumers' attendant service needs. For their own good reasons, many consumers will prefer service delivery systems. Put simply, it is crystal clear that we must be able to meet different needs in different ways. One size does not fit all and it never has.

Independence: Without the option of direct funding, there are very capable people who are being held back from assuming natural progressive control and independence in their lives. Society has been much the poorer for this limitation of individuals who are both willing and talented to participate and contribute fully to their communities. I may give you a personal example of one such individual.

My experience, for example, is not atypical. Here's a brief CV: I receive services through a support service living unit program, which goes under the letters of SSLU. When I refer to SSLU hereafter, I'm talking about the support service living unit program. That's funded by the Ministry of Community and Social Services. It's attendant services clustered together in an ordinary kind of apartment building, which is usually a public apartment building integrated.

I have experienced my disability for over 18 years now. I know my daily needs better than anyone else and I have long ago developed practical expertise about my routines.

I have confronted many more obstacles than many people ever face in life and have learned to become resourceful about solving them. I returned to university as an adult student to undertake and complete a degree program. I've been employed in positions of leadership with responsibility for both financial and staff management within this, the Ontario government. I am a successful self-employed teacher. I have made a contribution on numerous boards of directors of non-profit community organizations, including the positions of chairman, vice-president and secretary. I am still so involved. I led community representation in the development of government policy for the support service living unit program 10 years ago. I have therefore seen service delivery from many different perspectives. I am blessed with a wonderful family and I have many good friends.

Perhaps you may think I'm being immodest here. I use this simply as an example. But the essential point is this: In spite of obvious maturity, abilities, and my acceptance of responsibility in so many areas, just as everyone else like me, I have been denied the opportunity to assume responsibility for simple yet very profound matters in my own personal life. I may not choose who will get me dressed in the morning. I may not choose who will help me go to bed at night. I don't have a choice over where I may live. These restrictions can be so unhealthy that they demand a kind of split-personality approach to life. I'd like you to see into my life and how this kind of thing is difficult to cope with.

On the one hand, from my work, from a meeting or from a social and cultural function, I often experience genuine affirmation of being a valuable, contributing person, as we all do through these kinds of activities. Yet on the other hand, I can come home only to experience within the very next hour the deflation of these positive feelings because someone else is largely in control of my services and I have very little control over management of the people who are supposed to be taking direction from me.

For many of us who have striven with determination for independence in our lives, our service arrangements can have negative elements of a forced dependence. Our experiences of abrupt contrasts in how we are valued really are an assault on personal dignity. Surely when it's time for a person to move on in life and to assume greater responsibility in meeting his or her needs, that option should not be denied and should therefore be available.

In case you conclude that we are against attendant service delivery systems, we are not. We have benefited greatly from SSLUs and outreach. Self-directed care

through attendant service delivery has been an indispensable support in our lives. It has enabled the pursuit of levels of independence and participation unknown in the past, when the only options were nursing homes, institutions and chronic care facilities.

What are these mysterious attendant services? Attendant services are very easy to understand. They mostly cover the same daily routines you all do for yourselves: getting washed and dressed, going to the bathroom, getting your meals, keeping your place clean and organized, and similar physical chores of daily life. There's no mystery about it. There's no specialization about it. You all did most of this stuff yourselves today. So, I ask, did you perform health care when you got yourself up this morning? No, of course you didn't.

When you can't do these physical things by yourself, you naturally get someone to assist you. When you, the consumer, are responsible for directing that person what to do, and if they are paid for their time to do these things, they're called attendant services. It's quite simple: We care for ourselves and undertake everyday activities, with someone else acting as our arms, legs and hands.

Did the person who helped me get up this morning perform health care? No, of course he didn't, no more than what you did for yourselves this morning.

Then, what is health care? It should be abundantly clear just how different the above description is from health services. We all need health care services, you and me alike. We all require health care availability when we are sick or want to prevent sickness, don't we? At that time we need the expertise and intervention of a medically trained person.

When we are ill, we entrust ourselves to the care of that health professional; that is, we accept that the medical practitioner is knowledgeable and is charged with the responsibility of directing the patient's care. Other people may also be involved in various aspects of the care or rehabilitation, such as nurses and physiotherapists, and the list is quite endless.

All health services are undertaken on the premise that the onus lies with some responsible person other than the patient himself or herself in order to ensure accountability, appropriate action, and quality assurance. Similarly, the timing, the extent and the kind of activity are all decisions that must be overseen by a professional in health services. Attendant services are different, then, aren't they, from health care or long-term care?

The most striking differences between attendant services and health care or long-term care are these three matters, I believe: Firstly, where does the responsibility lie; secondly, what knowledge and training is required; thirdly, who initiates and directs the actions?

You come up with exactly opposite requirements for each of these criteria between health services and attendant services or long-term care.

The long-term care redirection that's being undertaken now and has been for a few years: We recognize there are significant problems in the health care system, both acute and long-term.

In acute care, for instance, we face difficulty with accessibility. We face difficulty finding people who are knowledgeable about our conditions and how this may alter generally prescribed remedies. We find very little understanding of how to assist us physically in an examining room, for example. Because of many bad experiences in general, you find that most physically disabled people stay away from hospitals absolutely as much as they possibly can.

Regarding long-term care, we know the general population is aging, and we understand your concerns about future costs of an increased demand for health care. Therefore, we applaud efforts to improve quality and efficiency of the health care system through redirection to be better able to meet our needs as well as everybody else's, but our needs when they are legitimate health care needs. We encourage you to fix health care or long-term care; it'll help everyone.

The misplacement now of attendant services in redirection: I believe our use of attendant services is really not part of the problem which is driving redirection of long-term care.

Attendant services, you may know or you may not, were set up by community and consumer groups and it was done deliberately apart from the health system in accordance with independent living principles. We are not using long-term care services.

The integrity of attendant services, we believe, will be destroyed if they are forced into a long-term care system. The health services system is vast, it's rich, it's bureaucratic, and it's highly powerful compared with attendant service systems. When there is a handful of attendant service consumers or providers on steering committees of 30 members or more, for instance, what protection do we really have?

1420

What possible chance do we have to satisfy and to safeguard our independence of services from the medically based care approach? How can we withstand the turf wars that are inevitable between professionals and paraprofessionals? How will we be dominated at the local level by district health councils, which traditionally are health-driven?

We have asked for assurances, and received them verbally, that attendant services will not be medicalized, yet we witness the relentless march to the scaffold. Attendant services cannot remain consumer-driven, non-medical, non-health services when they are being lumped together with those same services.

Therefore, we see a breakup happening. The breakup of attendant services is happening. Outreach is being separated from the support service living units and is being considered in with home care and nurses' services and a great many others. This is happening right now with respect to the development of training programs. There's an attempt to develop a generic worker who will go between all manner of hospitals and the community. So I think we're witnessing the dismantling of outreach attendant services as a separate system, and it's in the pursuit of this standardization.

What next, then, will happen to SSLUs? Will they be slotted in with residential services? I think this is based on

a false assumption about attendant services. We believe that where a service happens should not determine its nature. Attendant services may happen anywhere and still retain its same nature of consumer-directed assistance. Just because outreach attendant services may happen in a house, for example, doesn't give them much in common with home care. Outreach has far more in common with SSLUs.

We must not go back to the bricks-and-mortar approach to service classification. We must recognize services by their kind and by their type and delink them from ideas about locations and buildings and where they may happen.

Self-directed attendant services fulfil a unique role. They're so valuable as they are, and the best ones have strong consumer input or are completely consumer-driven. Their integrity must be recognized and protected. We must not see 10 years of our work go down the drain.

How were attendant services included in long-term care in the first place? I believe it may have happened quite inadvertently, just as we were inadvertently caught up in Bill 43, an act to regulate the health professions—that's not its correct title, but that's as close as I can remember. With that, you may recall that for some seven years the medical professions discussed "licensed acts" without knowing that some of the routines we perform ourselves with an attendant's assistance would have fallen under their proposed regulations.

I'm happy that through our meetings with many of the medical associations, with government officials and through our presentation before this committee on social development, we were able to all come to an agreement. We agreed that certain procedures under attendant services were indeed not medical, nor were they to be regulated, and this agreement very importantly has been made clear in the legislation itself. We are asking no less than a similar recognition with respect to attendant services as distinct from long-term care.

In conclusion, I will say that we support the direct funding legislation, we were consulted about its development and we will continue to work with the government to establish a consumer-driven model for direct funding of attendant services. We've seen a great deal of goodwill coming in that direction.

But I would finish by saying again, please pass the amendment that will enable a direct funding option for attendant services, and please do not allow the destruction of attendant services within long-term care redirection. Really, that would simply leave direct funding out on a limb somewhere and under the same pressures as the other attendant services are now going to be feeling from home care and those kinds of medically based and derived services.

The Chair: Thank you very much for your presentation. You've reminded us: It's almost two years ago, I think, when we did the health professions legislation, and I don't think any of us who were on that committee could remember the full title either. We thank you for this and hope you're still batting a thousand when all this is over. We'll begin the questioning with Miss Marland.

Mrs Marland: Mr Parker, thank you for your presentation today. Speaking for the last five or six years as the representative of our caucus for people with disabilities, I think you're aware of our support and our position in terms of a number of very important subjects for people with disabilities, but particularly the attendant care provisions. It's something I've asked a lot of questions about in the House and spoken in support of a great number of times, because I personally believe very strongly in it.

I'm wondering, based on what I've heard you say this afternoon—and I think you've presented very strong arguments—what we should be doing. Rather than amending Bill 101, perhaps we would be further ahead to take out the section of part IV and have separate legislation so there's never any confusion, so that you don't ever have to come back and point out to a committee that there is a difference. Separate legislation might, once and for all, guarantee the funding mechanisms to the client, to the consumer. What would you think about that?

Mr Parker: In many respects, I think that would be good. In fact, what we had even pursued was that we would be funded through some totally other ministry, such as the Ministry of Citizenship. We consider this as being so different from service provision that we would do it in a different way. However, on the other side, I would be alarmed if this was going to hold up matters more for us, and I think there's probably a very real danger that would happen. So I don't know what the answer is.

Mrs Marland: you're talking about a bird in the hand kind of thing.

Mr Parker: That's right.

Mrs Marland: At least you see something here in print.

Mr Parker: A bird in the hand, and yet we can't accept the bird in the hand if it comes with too many strings attached and if there's a great deal of danger down the road of it being overwhelmed by the very things we've tried to escape from. Context is very important.

Mrs Marland: I must tell you quite honestly that I have been very disappointed. I mention this because you say "perhaps under the Ministry of Citizenship." I know you're aware that Citizenship is one of the five or six hats that Minister Ziemba wears, including disabilities and seniors and multiculturalism, I think.

I have been very disappointed, because I think that if I were to go back over Hansard, the number of times I have asked Minister Ziemba a question on a disability issue, which is the only question area that I would ask her, because that's my only portfolio that relates to her portfolios—without exception, every time I asked her a question, she would refer it. She would not answer the question. She would refer it to the Minister of Community and Social Services particularly, with the excuse that all the hats that she wears are funded by other major on-line ministries.

1430

It's got to the point now where when I stand up in the House to ask a question on a disability issue, I preface my question by saying, "I hope the minister won't refer this question today, because I know where the funding comes from, but you have a responsibility to be the voice for people with disabilities." When you suggest maybe another ministry, it would concern me as much as it concerns you to

perhaps wait for another piece of legislation, because I have experienced frustration in getting action.

Mr Parker: I say another ministry simply because however it is done, we'd like to break some of the old moulds—

Mrs Marland: Yes, I understand that.

Mr Parker: —so that attendant services are, and I repeat, non-medical or health-related and they're not bureaucratically controlled by large systems. However that is done, there may be more than one way to do it.

Mrs Marland: I think you make a very valuable point about breaking the old moulds and I'd like to help you do that.

Mr Hope: Just to comment, I remember the presentation on the health professions regulations, and also dealing with this one, and the two years I've been in the Ministry of Community and Social Services, I have heard that they want more control over their lives in making sure that they have the direction of money, instead of being in the hands of somebody else. I believe this is a positive step forward and I'd like to move on this one, because I think it's going to accomplish a lot for people.

I noticed, in the minister's comments yesterday, talk about the cooperation of the group and working with the direct funding mechanism. When I was listening to your presentation today, you brought up the issue about not getting lost in long-term care. Are you saying we should make sure the money stays in the Ministry of Community and Social Services, or is there another area that you're talking about in terms of getting lost in long-term care?

Mr Parker: I guess where the money comes from usually decides what strings are attached, doesn't it?

Mr Hope: Sometimes, yes.

Mr Parker: So I'm asking that we not be forced into bed with health organizations. It may be that we're not funded from exactly the same place, or it may be that there's a discrete envelope for attendant services within long-term care. I think there are different mechanisms, but I think what we want to see is written assurance that there is some kind of mechanism that is going to keep us distinct and secure, because without that, there's very little but fear to go on.

Mr Hope: The other part of my question would be on the regulations developing around the rules and policies and procedures of accountability. As you know, when we deal with the public purse, the public asks us for accountability. It's a basic question. Have you been involved in the development of those regulations and procedures around accountability for the money?

Mr Parker: We are negotiating and putting forth ideas about that. I think accountability is only one of the areas that it would be important to consider. I don't think accountability is a major issue that ought to be considered about direct funding, albeit one of them, but there are so many other entitlement programs that are carried out with fairly minimal concerns about accountability. We would simply think that by undertaking standard bookkeeping methods and by either reporting annually or being open to audit annually, a very reasonable standard of accountability would be there.

Don't forget that this money is for me to spend on someone to help me get out of bed. I can hardly misspend it. I've got to get out of bed and I've got to pay them to do it. There's very little leeway for misappropriation by the individual, especially since, on this first cut of direct funding, I think it's being considered for mature people to self-manage.

Mr Hope: One of the areas that was brought up during questioning yesterday was around employing one's spouse or employing a family member. I would only ask that you follow up what workers' compensation does about employing one's own spouse, because there is an employer's health tax that the spouse will have to then pay. I think as you develop a procedure in whether you can hire a spouse or not, I would just direct you to the workers' compensation stuff.

Mr Parker: Thank you. I'm unaware of exactly what that—

Mr Hope: There are major problems in those procedures and policy, and I just lay that as a word of advice. I know the group, according to what the minister's comments were, is going to be an important part of developing the procedures and making sure that the system works effectively and doesn't take you back.

I'd just like to say thank you.

Mr Parker: With respect to hiring family members, I don't know what your minister's review is going to come up with, but no matter what comes up, I can see there must at least be exceptions under which this has to happen. There are people who are non-verbal, who don't speak, and the family member is either the best or the only person who may understand them. Yet the person may be quite capable of self-management. What way around that is there except to pay a family member? There are times when it's just essential. We would hope it would be a much broader possibility than that.

Mrs O'Neill: Thank you so much, Mr Parker, for coming. I presume you know Bob Brown from Ottawa-Carleton, who is my main contact and is pretty involved in speaking on behalf of this issue in the Ottawa-Carleton area. I did ask the question of the minister yesterday about what conditions would be placed on the grants or allowances or whatever the word turns out to be, and she did at that point update me on your involvement, or your coalition's involvement, in the discussions. I'm happy to hear you say today that you feel you've had some reinforcement of your input and that you do feel you are understood at that level. I think you have to keep talking and being involved there because, as you know, Bill 101, although granting you the direct funding which we've all wanted for a long time, is very nebulous in its application, with, as you say, strings attached. That's my concern: How much is going to be left to the actual regulations, on which we will have very little input? Perhaps you will have an opportunity to have more. I would certainly ask you to keep in touch with us.

I wanted to say that I am a total advocate of attendant care. I've seen it change lives so drastically. But I do realize what you're suggesting about how each station, administration or whatever the word you want to use of attendant care is unique. Every single individual who has attendant care has it for different reasons, different combinations of needs. I think that has to be taken into consideration, and that's why I think direct funding is the only way to go. I think you're very correct that the medical profession may be involved somewhat in the actual initial beginnings, but once the whole program is put in place, it's not medical.

I would like to ask you what you feel, and that was brought to us—

Mr Parker: May I just clarify one thing?

Mrs O'Neill: Yes, please.

Mr Parker: I don't want to suggest that the medical profession is involved in starting attendant services.

Mrs O'Neill: Okay, if that's a misconception.

Mr Parker: I would like to suggest that it is consumer-driven and consumer-run and set up by community groups of disabled people, with non-disabled citizens as well.

Mrs O'Neill: Okay, so you don't feel—I would like to correct that, then, if that's not the case.

Mr Parker: Thank you.

Mrs O'Neill: I thought that maybe the doctors were involved in saying "Maybe attendant care would help here," but maybe that's not even the role they play.

Mr Parker: I was referring to doctors with respect to Bill 101 and how we did manage to work together to agree to be different.

1440

Mrs O'Neill: Okay. The only thing I have a question on is the situation that you're in, and many others, where the housing is somewhat connected to the attendant care. In some cases that seems to be an advantageous situation because of the 24-hour on-call component. Would you like to say a little bit about that? You didn't really distinguish. Many people live in—

Mr Parker: That is the SSLU. The support service living unit model of attendant service delivery takes, let's say, 12, 14, 16 apartments in an ordinary building. It may be a co-op building, it may be a municipal housing building or it may be private. It also takes one apartment there usually to act as an office or a staff lounge.

Attendants are hired by this non-profit corporation. They come in and are available through that staff lounge. Consumers either write out in a book what they want, when they want it, or they get on the phone, the pager, when it's something that's incidental and not kind of scheduled.

It works well and I think there is a real place for it. I don't think I would have wanted to come right after my accident in the first year from the rehabilitation hospital to direct funding. I had to learn how to manage under these new circumstances and I think the SSLU was good and supportive and appropriate for me. But I don't think it necessarily is any longer and I want to move on, and there are lots of people behind me who want to move into SSLUs and can't because I'm still there.

Mrs O'Neill: So the direct funding model would help you move on.

Mr Parker: Sure.

Mrs O'Neill: I thank you very much for reinforcing much and correcting some.

The Chair: Thank you very much, Ian, for coming before the committee with the usual excellent presentation. We'll try to make sure that the ultimate results are as they were a year and whatever ago when we worked out some of the problems on Bill 43. So thanks very much for being here this afternoon.

Mr Parker: Thank you very much.

THE WEXFORD

The Chair: I call upon our next witnesses from the Wexford, if they would be good enough to come forward and find a place at the table and have a glass of Toronto water. I'm pushing Toronto water today. Welcome to the committee and if you'd be good enough to introduce yourselves for electronic Hansard.

Mrs Lynn Bolton: First of all, my name is Lynn Bolton and I'm the administrator at the Wexford. This is Luba Funston, who is the assistant administrator at the Wexford. On behalf of the board of directors of the Brotherhood Foundation, which owns and operates the Wexford, and also the residents and tenants who reside there, I'd like to thank you for the invitation to come and speak to the committee in regard to some of the concerns that all of us are facing right now.

Just a little bit of background on the Wexford. We are a charitable, non-profit organization, that is, the Brotherhood Foundation is. The Wexford was built by the Brotherhood Foundation in 1977. It is a multilevel facility that provides residential care to 166 seniors who require less than 1.5 hours of concentrated nursing care in a 24-hour period. We also provide housing to 90 seniors in independent apartments, and we do provide through the Ministry of Housing some subsidized apartments as well. We also have an elderly persons centre on the lower level of the facility and we have approximately 469 members of the elderly persons centre.

So it is a very dynamic, enthusiastic environment for seniors. It's been open and operating for 15 years, and we come today with some of the concerns that have been expressed to us through the board of directors, through the resident council, the members who are aware of some of the changes that are taking place. Probably the greatest concern is that they feel the amendments to Bill 101 are going to infringe on some of their specific rights.

One of the issues is the eligibility criteria for admission into the long-term care facilities. As you're aware, at the present time in long-term care there are nursing homes which provide care to extended-care residents and then there are residential care facilities that provide care to seniors who are more independent. One of the things that the council members raised at our last meeting is that they feel that their free choice is being removed because of this situation.

While we certainly agree to the aging-in-place concept, I believe that in the past seniors have certainly utilized this concept. Seniors who come to us have lived in their homes a long time and perhaps haven't had the home care support services, which I think are a really good idea and we certainly are for that. We still believe that seniors, when they reach an age and stage of their lives when they feel that they want to come into a seniors' community, are actually going to have that right taken away because of the 10 criteria that have been developed. They feel that even if they just want to come in because they feel that they will benefit from the socialization factor, this no longer will be available to them. It's one of the major concerns they have.

Many people we've admitted to our facility are up in their 80s and 90s; probably the average age in our facility is about 87. The thing they enjoy the most about living at the Wexford is the socialization, the friendship, the recreation. There are so many different programs that go on that, if they were living in their own homes, they would not be able to get out to.

While the aging in place is an excellent idea, if the senior wants that—if that is their desire and they want to have the support services, then by all means, that's where they should be. They should be where they want to be. We fully agree with that. The 90 seniors who are living in our apartment complex, which is attached to the residential component, are wondering whether or not they will be able, through the placement coordinating service, to actually access the residential care that is available through the Wexford. Will they indeed be able to continue down through the continuum-of-care philosophy that the Brotherhood Foundation developed years ago and be able to come into the residential care, or will they have to go through the placement coordinating service and perhaps not even be able to come into the place where they have their friends and what they're used to?

They made a few comments that they feel like we're almost becoming, in a sense, a socialistic type of—you know how seniors express themselves. They were really quite concerned: "Where are our human rights? Where's our choice? It's being taken away."

Our last speaker addressed that. They really do have the right to make a choice, whether it is to stay at home as long as possible with all the support services that they want—that's great, and we are for that, but I really feel if they want to come into a facility where they're going to have their meals provided, where they're going to have homemaking services and housekeeping—you know, some of them have worked long and hard all their lives and they want to have a little bit of care.

Another concern as well is that we are subsidized through the Ministry of Community and Social Services, and right now about 10% of our population receives a subsidy. The rest of our residents totally pay their own way. With the new funding proposal—we haven't really had clarification in regard to what we are going to be receiving—but we have heard that there will be a copayment of $37 a day for each resident. We look at that and we wonder how it's going to affect us financially.

As I said earlier, we are a charitable, non-profit home. We have been able in the past to run the home very efficiently but with cost-effective measures in place, and we are wondering, number one, how the government is going to be able to manage paying the $20 million more, or whatever it's going to be, for the fact that most of our residents will no longer be paying their full way. We are quite concerned about that.

I think probably my greatest concern is that the stay-at-home program does not address the loneliness factor. I have had many seniors come into the Wexford who have stated very clearly, and we've had some who are 87 who come and say—I remember one lady said to me the other day, "The last three years have been the best three years of my life," and she's now 90. It's because she has friends, there are social programs, there are outings, there are trips and there are people there who care. The seniors get together and they're like a big family and so are the staff.

1450

I also feel that one of the issues we also face with families is that the families are under a great deal of stress. I don't think that perhaps we're looking enough at the care givers. Oftentimes the care of the seniors who decide to age in place lands on the eldest daughter or a woman or a man between 45 and 65 who has just finished raising a family, and then once again is dealing with the stress of caring for an elderly parent. I think this too is something we've got to consider, and also, regarding the financial issues they're facing if they have to quit a job, perhaps this idea of paying the spouse or paying the care giver to provide services if the senior wants to stay at home.

I really believe these are issues we should be looking at and you should be considering before these amendments are made in Bill 101. Luba's going to address some other issues that we have.

Mrs Luba Funston: As a non-profit charitable organization, we are very limited by our operating and capital budget in the amount of money we can put into our facility, not only just to maintain it but to upgrade it. With the new changes and the criteria that will have to be filled by the new residents, there will be an awful lot of changes that we will have to make to our physical plant.

We presently only have two elevators. We have no wheelchair accessibility to the majority of our rooms. The facility was basically built to be able to have the subsidy resident and the middle class person, so it's a small room. We have very few rooms where a resident is able to access the bathroom facility or his room in a wheelchair. That will limit the amount of service we will be able to provide. We have no laundry services. It would mean a complete overhaul of our building.

There is even our tray service. Now we provide it to our residents who become ill on a short-term basis with medical orders. After someone has been hospitalized and comes back, we bring them home a lot sooner; ordinarily, they would have to stay in the hospital. We bring them in with the extra tray service. But we can only do that for up to about 10 or 12 residents before it puts such a strain on the system that we can't deal with it.

Our nursing staff is only providing an hour and a half of service per day. That will also increase, which will increase our operating costs. We will have to increase the staff, nursing staff, health care aides and RNAs. Our housekeeping staff will have to be increased.

Some of the things that will be provided through the new service will be the home care programs, the medical services, physiotherapy and housekeeping; they're all in place. One of the biggest concerns, as Lynn has mentioned, is the social aspect. I meet the family of every potential resident who comes into our facility, and I usually speak to the daughter or son prior to the mother or father coming in to do the tour. It's always their main concern. It's not the care or the health care that they're getting or the home care. A lot of them are already receiving Meals on Wheels and physiotherapy. It's the care of someone coming in to make sure the meals are eaten.

I think through that process, if preventive medicine isn't maintained, they may receive the meal, but if they don't eat it, they become ill. If the daughter isn't coming in every day and checking the garbage or whatever, they don't know. Through our service, they come to the dining room and the waitresses make sure they eat their meal. If they don't, there's a follow-up system for them to know that they haven't properly maintained.

I think when they're at home, they're staying there and they get ill, which eventually puts a strain on the health care system because they are at home. They don't want to come into our facilities any more than we really actually want them there. I think most of them come when there is no option. There are a few who come in because maybe they really can't prepare their meals, but I think by the time they come to see our facility to come in it's because they really can't maintain. But with the new criteria, they will not be able to access our system in any way or form. They will still have to be staying home until they get to the point where they cannot be maintained by the family or by health care. They will probably not even be eligible at that point for chronic care and will go straight into the acute care system.

I think one of the things that is important to them is that a lot of these seniors have lost their spouses and have lost their friends. I think the bottom line for all of them is to be able to get the care they need for their physical needs, but with their emotional needs, they often create medical situations for themselves and crises that don't actually exist; they're imaginary in the beginning and end up not being so and end up being in our emergency departments and overloading the system.

By looking at the new reform and the new ideas we have, I think the health care system needed revamping. Having been in health care for 15 years, both in acute and chronic care, and now with the Wexford, I've been through it from the bottom up, being from the emergency department process, in admissions, to the trauma unit at Sunnybrook, and I've been at Baycrest and now I'm at the Wexford.

I've seen it all. I've seen them backed up in the emergency department and I've seen them at Baycrest and I've seen them at the Wexford. It's a wonderful place for the seniors and I wouldn't want us to lose that type of environment for my seniors, so that I would, at some point in my life, be able to know that's available to me and my children won't have to look after me.

The Chair: Thank you. Before moving to questions, I'll just let you put in a quick commercial plug. Where exactly are you located?

Mrs Funston: At Warden and Lawrence.

The Chair: Warden and Lawrence? Fine. We'll begin the questioning, then, with Mr Wessenger.

Mr Wessenger: Thank you for your presentation. Just some clarification: I assume you are a charitable home for the aged. Is that your classification?

Mrs Bolton: That's right, yes.

Mr Wessenger: The first question: Do you have any extended-care beds now within your institution?

Mrs Bolton: No, we don't.

Mr Wessenger: You do not have any?

Mrs Bolton: No.

Mr Wessenger: Okay. Is it fair to say this places you somewhat in a unique situation with respect to other homes for the aged? My experience has been that most other homes for the aged now have a large number of extended-care beds, so you're somewhat different from most of the other homes for the aged.

Mrs Bolton: Yes. I know there are other residential homes in Ontario, but I couldn't give you the exact figures. We are unique in that sense, yes.

Mr Wessenger: You also indicated that 90% of your clientele pay their own way.

Mrs Bolton: That's right.

Mr Wessenger: Is it fair to say that you're probably closer in operation to what we call some of these seniors' retirement homes than you are really to a long-term care facility?

Mrs Bolton: Yes.

Mr Wessenger: Those are all my questions.

Mrs Sullivan: There are a couple of observations I want to make. One of them, first of all, is that as you've described, your operation is somewhat unique in that you provide a continuum within one operational structure for a move to increasing needs of care that you're able to provide onsite.

Mrs Bolton: Yes.

Mrs Sullivan: Your funding formulas and subsidies from taxpayer dollars reflect that. Have you been involved in reviews of the manuals that are likely to be put into place? Has Wexford been consulted on those manuals and had access to them and been involved in their development?

Mrs Bolton: We weren't involved with the development, but we have sat on different committees and also at workshops that have introduced the new manuals.

Mrs Sullivan: So you have seen them.

Mrs Bolton: Yes. I have one at the facility.

Mrs Sullivan: I think, just for the record, Mr Chairman, that it might be useful to members of the committee if the draft manuals and criteria were available to the committee

members. I have one because a willing person gave it to me under the table, because it was not agreed by the minister that legislators should have access to that documentation. I think that's nonsense. I wanted to be certain you had actually seen it.

Mrs Bolton: Yes. It's still in draft form.

Mrs Sullivan: Exactly. But even in that, you can see movement and intention and so on. Some of it, in my view, provides a different direction from what we see in the legislation. I think that some of the groups and organizations already have commented on that, and there will be more comments coming forward. Are we just about finished?

The Chair: No, but just as a request, then, for and through the parliamentary assistant, we could—I believe I see some nods around the room, so it's probably likely that we can get those. We'll just note that in Hansard and the parliamentary assistant will check that out.

Mrs Sullivan: I know my colleague has a question, but having seen that, have you done a calculation for your facility on the nursing and personal care requirements and the per diems you would likely expect under a new system?

Mrs Bolton: We had the classifiers in last August, the new Alberta classification system that's been adapted for Ontario. As you're probably aware, there's a classification for funding for levels of care between residents that would require very little care, which would be a classification A, right through to classification G, which would be probably the very highest level of care.

Our residents probably would fall between, at the present time, the A and B category, which means there would be the least funding provided for them, but with the new legislation, we would have to start taking and keeping heavier-care residents, number one, in order to remain full, and number two, to meet the needs of our clients. As Luba said, there would be a large amount of adjustments made to the physical plant in order to maintain the residents in our home.

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Mrs Fawcett: Just a quick question around the funding formula and when that's supposed to be available: Were you under the impression that possibly you would get that information by spring, April 1?

Mrs Bolton: We're going to a workshop February 23 on the new funding system. At the present time, everything is basically up in the air; there hasn't been any confirmation as to exactly. We've heard bits and pieces, like the $37-a-day copayment, but nothing has been finalized. There's been no detail on what exactly is going to happen. It's all speculation and it was very difficult trying to develop the budget this past year.

Mrs Fawcett: Exactly. That's what I'm hearing too, and now there is another rumour out there that it will not be ready until September. I just wondered if you had heard that as well and whether or not it would be retroactive.

Mrs Bolton: It doesn't surprise me, because they had originally said January 1 and now it's supposed to be April 1, but it wouldn't surprise me if it was put off again.

The Chair: Now, on February 2, I will turn to Mr Wilson.

Mr Jim Wilson: Thank you for your presentation. The Wexford sounds like a wonderful spot.

Mrs Bolton: It certainly is.

Mr Jim Wilson: I have a question regarding your comments with respect to eligibility criteria, because I can understand the concern of your residents upon reading this legislation. There are no specifics as to what the eligibility criteria would be. Do you have any comments on that? As I read the legislation, a placement coordinator is sort of all-powerful. Perhaps guide me as to what you think the eligibility criteria should be.

Mrs Bolton: We were presented at the workshop I went to back in December with 10 specific criteria. Now, out of the first five, the client would have to meet at least one of the criteria, and out of the last five, the client would have to meet all five criteria.

I don't have the specifics here, but basically they're saying that the resident or the senior, or even anybody requiring long-term care, would have to meet these criteria and that they would indeed have to try to get every other type of service possible. They would have to resource what's available, access every type of home care service possible and totally deplete their resources before they could be accepted into an institution or a long-term care facility.

Basically, the amendment states that they have to stay at home and deplete every resource possible and not be able to find any home care support before they would be allowed to come into residential care.

Mr Jim Wilson: I appreciate your comments there, because I've seen parts of the draft manual also. Mr Chairman, I think the testimony here re-emphasizes the fact that the sooner we get a copy of the manual, the better. Otherwise, we're asking questions, essentially, in a void here. For the world of me, I don't understand why that very important information hasn't been circulated with the legislation.

The Chair: I thank you again. I just note that has been requested and I understand we'll have it shortly and be able to look at it, perhaps next week when we're not sitting and prior to the rest of our hearings. Thank you very much for coming before the committee and for your excellent presentation.

Mrs Bolton: Thank you for hearing us. We appreciate it.

ONTARIO ADVISORY COUNCIL ON SENIOR CITIZENS

The Chair: I now call upon our next presenter, the Ontario Advisory Council on Senior Citizens. I believe we have Mr Bill Hughes, the vice-chair. Welcome to the committee, Mr Hughes. We have a copy of your briefing note that has been circulated to all the members. Please go ahead.

Mr Bill Hughes: Thank you very much. It is a pleasure to be here. I thought I'd tell you in a brief sketch what the advisory council is. It was established in 1974, so it's getting on in age. It comprises senior citizens and others, with

participation from across the province, various geographical and other background areas.

Its mandate is to advise the government through a particular minister—our minister is the Minister of Citizenship, Elaine Ziemba—on all matters affecting the wellbeing of seniors in this province. Last year, along with many other groups, we made a study of long-term care and the redirection of it and presented to our minister a brief containing our observations and recommendations, and I'm sure that they are available to all.

Earlier this month a small group of the council got together—the group comprised a gerontologist who happens to be a practising doctor of Chinese background, a native elder from the Cape Croker reserve, a visiting nurse from the local Metro area, and myself—specifically to discuss and assess Bill 101.

Myself, I'm a senior and retired, a heck of a lot busier than I was when I was working, and I have been involved with the long-term planning response of a number of organizations. I thought I'd mention them to you just to establish a little bit my credentials: the Toronto Mayor's Committee on Aging, the Social Planning Council of Metropolitan Toronto, Metropolitan Toronto District Health Council, Alzheimer Metro, the Anglican Church and—I think I've probably got the name wrong but I think I recall it as being the Hospital Council of Metropolitan Toronto. This probably makes me accomplished in one way, and that is in being confused on all the issues. But we did get together, as I say, in the last month and have discussed Bill 101, and these, sir, are our comments.

First, we applaud the government for introducing legislation on long-term care, but we very much urge the government to maintain the momentum and release its policy framework document as soon as possible.

We held many public meetings the year before last with seniors from rural Ontario and we found there are great disparities in the level of social services available in the rural areas, the small-town areas of rural Ontario, and we made very pointed recommendations that these areas required a great deal more attention than they seemed to be getting.

In the past year we have concentrated on consultations with first nations areas in the province. Our report will be coming out within the next two or three months, and I think that will show even more the inequities in long-term care facilities in this province and the way in which, perhaps, seniors in this culture of our first nations people have been underserviced and perhaps undervalued.

On behalf, therefore, of the 1.2 million seniors who are in this great province of ours, we appeal to the government to proceed without delay to make sure that redirection occurs and that the gaps in services that are very apparent, particularly in these two main areas of the province, are corrected.

We support fully Bill 101's efforts to reform the funding arrangements governing nursing homes and municipal homes for the aged based on a levels-of-care classification system.

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We are worried that many seniors and their families will find that redirection will limit access to facility-based care. We obviously don't want this to happen, to become a reality. We would ask that the government provide some illumination by releasing its figures that it must have projecting future demand for facility-based care. We don't want this type of care, which is an important type of care, to disappear.

We praise Bill 101's intention to provide per diem amounts to institutions for programming for seniors.

We're encouraged that Bill 101 will require most homes to sign service agreements in order to receive provincial funding and will give the province the right to reduce or withhold subsidies when homes are in breach of these agreements.

Council fully supports the bill's intention to require homes to give residents written notices describing what services are to be provided under the agreement. As a caution, we urge that written notices be written in plain language and be available in a variety of languages, as suits the multicultural nature of our province, as well as in other formats such as audiotapes for people who can hear better than they can see and in large print for people like me who require glasses.

Council would also like to see a planned, yearly meeting with the resident, a family member and a representative of the home to review service obligations. In this way people can be kept up to date with what is expected of them and what they expect to receive.

Placement coordinators, one of the features mentioned in Bill 101: We would urge that placement coordinators be culturally sensitive, because access is, to a large extent, channelled through this agent, and it may very well be that placement coordinators have to be particularly sensitive to the cultural nuances which exist. We believe that access is one of the important, in fact one of the dominant, imperatives in this redirection of long-term care, and we want this accessibility to be real rather than perceived or proposed. We want it to be actual.

Direct funding: We have two concerns. One is that the proposed legislation, Bill 101, does not extend the direct funding option to senior citizens or their care givers. It is, in part, extended to certain people with disabilities. Ontario seniors are capable people, former bankers, business people, and I'm sure you'll even find some present and past politicians in the group.

Mr Hope: That will be a while.

Mr Hughes: Not necessarily present in this room, sir.

These people are people who have exhibited a lifetime of financial prudence and acumen, and there would be a great deal of an advantage for seniors, as well as for people with disabilities, if they had the flexibility of directing their own resources.

Secondly, we are perplexed that even in the limited form of direct funding proposed by Bill 101 there seems to be a need to test this on a pilot-project basis, where, since the mid-1970s, persons with disabilities have been actually performing this function themselves and, we believe, very well. We wonder what the need is for a pilot operation at this time. We recommend that the pilot project is not necessary, and that you can proceed directly to that phase.

We fully support the shift in emphasis away from institutional care in favour of community care. This certainly is, to our way of thinking, a good way to go. But as I said earlier, seniors need both options. They need both community-based care in their own homes or in home-like surroundings, and institutional care.

I'm sure that warnings have been given to make sure that the move from institutional care to community-based care does not trigger the same kinds of circumstances that happened when mental patients were discharged from institutions. I was certainly involved in that stage in trying to find a home for ex-psychiatric patients, which I eventually did. That home is located in that great commune of Forest Hill. It was put there with a certain amount of local objection, but it has been there very successfully ever since those almost 20 years ago. But that was something that penalized both the ex-psychiatric patients and their families and ultimately the community. All we can hope is that we have learned from that lesson and that, as people are directed to community-based facilities or community-based situations, those situations and the services they need will really exist. We would like to have some reassurance that this will happen.

Of course, we have to continue to commit funds to ensure that long-term care is a success for Ontario seniors. This strange number of $647 million keeps appearing and has kept appearing for years and years. It has always been the right number, regardless of what year and what level of inflation and the changes in the particular redirection. All we are concerned about is that that is in fact pledging enough money to make the system work.

I'd like to briefly comment on the study that we are just doing with seniors in first nations communities. I don't know how many of you, in your concern, have first nations communities in your ridings.

Interjection: I've got one.

Mr Hughes: Do you? Well, we have selected quite a large number of reserves to visit and have talked to a large number of seniors and care givers for seniors in these areas. Our report will detail what we have found. Even tomorrow and tonight we will be dealing with other first nations people who have kindly come in, some chiefs and others from the eastern part of the province, because we felt there was a bit of a gap there that we hadn't covered in one particular area. We've listened very hard to them and we have really been impressed by the shabbiness of the services provided to seniors in the majority—not all—of these communities.

We would hope that Bill 101 and its successive legislation intend to deal with these people as with all Ontario seniors, and that is to provide fair, equitable and good services to the seniors. We found that where this doesn't happen and services are not available, communities are broken, families are broken, and individual people who need support are at terrible risk.

Other than saying that we would like, if possible, to get some kind of feedback from all the consultations which have gone before so that we can measure what in fact the community commentary was on the initial Redirection, I want to thank you very much for this process of being consulted and being allowed to participate in this session today. I compliment you, thank you and Godspeed.

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The Chair: Thank you. We have a number of questions, so I'm going to ask if everyone would just do one. I'll try to accommodate the members who want to get questions on, beginning with Ms Fawcett.

Mrs Fawcett: Thank you for coming. Your brief certainly touches on many areas of concern for seniors, and I think you're telling us to get on with it and stop consulting and really get to work.

I was interested in a couple of areas and now we are limited in time. I hear you saying that choice for seniors should be an absolute—

Mr Hughes: Yes.

Mrs Fawcett: —and that when the coordinators are dealing with this, they must provide that in some way.

Mr Hughes: Yes.

Mrs Fawcett: It is certainly our party's belief it should be too, and we hope that's what's going to happen.

Do you agree that some of the services that now would be proposed to be on a fee-for-service basis, such as maybe foot care, is a good idea, that some of these services that are so-called extra services should be paid for by the client or by the person? How does that fit in with your—

Mr Hughes: I think, by and large, we kind of take what I think the provincial position is, that health care should be free, and optional things—whether that includes foot care I don't know. That sounds like medical care to me somehow. If you can't walk properly, it sounds pretty desperate—

Mrs Fawcett: I agree with you.

Mr Hughes: —but with certain things I would have no trouble. Seniors, by and large, don't mind paying their share. That's not a problem. But I think if health care is supposed to be free, then it is in all its ramifications free. In detail, I couldn't help you.

Mrs Fawcett: Would your council be looking at—

Mr Hughes: We certainly have looked at this. The original presentation—I didn't read it before I came—probably contains something on that.

The business of options very much is important; options in housing, Lord knows what supportive housing is that is talked about. But whatever it is, let's hope there are options for people, and that's accessibility and options together, please.

The Chair: Mrs Sullivan.

Mrs Sullivan: I'm interested in following up on your study in relationship to the first nations. My understanding from discussions I've had in northern Ontario is that the first nations are now moving into almost a concept of government-to-government health care approach, using something that's comparable to a district health council based in association with planning for health care on-reserve. Where the problem in health care generally, particularly in the north,

is seen to be with first nations people is with those who live off the reserve.

I wonder if your study moved into that area at all and if you looked at the long-term care requirements of first nations people, of native people, off-reserve.

Mr Hughes: I had a lot of trouble in trying to find first nations people off the reserve. Our study was a pretty fast one in that it took a year. We did look into the concerns of off-reserve first nations people, particularly in the Toronto area where there are reportedly many thousands. We found them awfully hard to find. We certainly didn't have any better luck than the native organizations that are supposed to be involved with them, because they couldn't tell us where they were. Most of these people have kind of come into the main society and wish to be there, notwithstanding there is quite a movement back to the reserves now as legislation has changed and enfranchised many of them again.

One of the problems on some of the reserves is the flow-back of first nations people who now have to be provided for, and it certainly makes a heck of a lot of problems in their housing. Other than that, we didn't have a whole lot of luck in discussing with off-reserve first nations people, so we concentrated, by and large, on reserves.

The Chair: Just before going to Mr Wilson, you may have mentioned this, but when is your report on the first nations going to be out?

Mr Hughes: It's at the draft stage now, so I would imagine in a couple of months.

The Chair: Okay. Thank you. Mr Wilson.

Mr Hughes: Something along that line; it will, of course, be publicly available.

Mr Jim Wilson: We too look forward to your report on the first nations. I have myself toured many of the reserves. I used to be a former assistant to the Minister of National Health and Welfare and we were responsible for health care—

Mr Hughes: Oh, yes.

Mr Jim Wilson: —on native reserves, many of them across the country. I know of the deplorable conditions of which you speak, not unlike some of our rural areas, though, outside reserves, including an area as close as Simcoe county, my county. We do not enjoy near the level of services enjoyed in Metropolitan Toronto. I'm often amused by the assumption made by many legislators that somehow just an hour away from Toronto they have the same services, and of course it's just totally untrue.

I am interested very much, though, in your comment. I think there's a very important line in the brief on page 4 which says, "However, for seniors to be well serviced both options must be available to them." That's talking about the need to keep in place institutional care but also to shift, where possible, towards community-based care.

Just a general question right now to get the lay of the land from the council: Is there a great deal of concern out there that perhaps the government—previous governments had moved quickly towards deinstitutionalization, closing hospital beds, freezing nursing home beds, and we have waiting lists now for a number of those services, for nursing home beds and for community-based services. Can you give us the lay of the land out there now, because you did end your remarks by saying Godspeed.

Mr Hughes: I have to temper my remarks by saying I'm not an expert in this area and I'm not privy to any of the plans that the government or non-government side may have.

Mr Jim Wilson: Well, neither are we.

Mr Hughes: What I would say is that there is concern that present long-term institutional facilities not be closed down before something else is in their place, before community-based services are in their place. What we have seen is some evidence that this has happened, that some beds have been closed down for a variety of reasons. It may make sense but it makes us feel a little nervous that the closing down is happening before the opening up of the other resources. That is one thing we are really concerned about.

We are aware that there are waiting lists, and again this is a concern, to close down while there are waiting lists for good nursing homes and good homes for the aged.

I'm not quite sure what the policy is but we are looking at this; it is a concern, yes.

Mr Jim Wilson: Apparently it's an ongoing policy of the government, that it will reveal it piece by piece, the minister told us in her opening remarks.

Mr Hughes: I see. Okay.

Mr Jim Wilson: Thank you for your comments.

Mrs Marland: My comments really were also in the same vein as those of the two previous speakers. It's interesting, when you talk about our native people, that I think they perhaps show all of us a prime example that for the most part puts us to shame, because they are a community who look after their seniors a lot longer and with a different kind of closeness than we do, and that's been for centuries. I think it's part of their culture and it's one from which we can all learn and admire a great deal. I think as long as they possibly can, they look after their own people as they age, within their own families, which we don't do to that degree.

It's always been easier for us, I think, although speaking as someone who had to make the decision about putting—I hate that expression, "putting my mother in a home for the aged," isn't that the truth?—to make the decision we have to make for the best care for our beloved aging parents and aunts and uncles.

When we make that decision, it's because we believe we can no longer cope and it's in the best interests of the individual, but I think our first nations people do a far better job of it. I'm not denying that the need is there. I agree with you that the need is there, but the very fact that they cope longer and better than we do means that when they reach that point it should be a community-based resource. I think the point my colleague Mr Wilson makes is terribly important for other people who live in rural areas, period. I think that's a very valid point that was made by Mr Wilson.

Mr Hughes: My comment there is that I think seniors, elders in particular—the names are not synonymous—in the first nations communities are very much respected. They are the carriers of the culture.

Mrs Marland: That's right.

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Mr Hughes: Particularly the grandmothers; without grandmothers, the system would be impoverished. But they are respected in many fields, many areas. We saw that, but we also saw an erosion of that. We also saw that it is getting harder and harder for young people to be supportive of the old. We also saw that on the reserves to which we were welcomed, and in all cases we were welcomed, we found that the number of seniors on the reserve was about half what you'd find in the rest of the population, and we wonder where the other half has gone.

Mr Hope: My question is around rural Ontario. Why a lot of seniors are there and in need of care is because there are no jobs available in rural Ontario. With free trade and other things, we have to leave and find jobs in larger centres.

I was looking through the report. This morning, we had a presentation to this committee from the Catholic Health Association of Ontario.

Mr Hughes: The which, sir?

Mr Hope: The Catholic Health Association of Ontario, which talked about the rules that would be involved in the service agreements, dealing with no autonomy for the board of governors. In your report, you're telling me these are good things. As legislators, we're trying to decipher which is the information that we should flow on, and I'm just curious. After listening to what they told me this morning about accountability—leave them alone; let them do what they want—you're saying that the service agreements are good. I just want more clarification on your points in your brief and your presentation when you talked about the service agreements. The council is encouraging that in the legislation, Bill 101 require most homes to sign service agreements in order to receive provincial funding. Are you saying that the stipulations are good? What consultation have you heard about?

Mr Hughes: Sorry. Could you direct me to the section?

Mr Hope: It's on page 2.

Mr Hughes: Page 2?

Mr Hope: I'm just looking at the other one because I'm trying to figure out what you're telling me representing seniors and what I was told this morning representing, I guess, nursing homes.

Mr Hughes: Mr Hope, I'd prefer not to talk about what that group is, because I wouldn't understand where they were coming from. They may be very right in what they say. However, what we like is the notion of control that this gives. There would be some leverage to make homes adopt and maintain good standards. It may not be the world's greatest vehicle for doing that, but to the extent to which it does provide some way of leveraging the facility to provide ongoing, good, high standards of service, we applaud that.

Mr Hope: But it will not deteriorate or destroy; it will just build. If I'm understanding what you're saying the service agreement is, it's a minimum standard but then you'll still allow those homes the autonomy to be better.

Mr Hughes: I hope so, yes.

The Chair: Ms Carter, a final question.

Ms Carter: I just wanted to pick up on the question of the supply of facility-based care. My understanding is that that isn't being reduced; it's being redistributed rather than reduced. But I believe it's also the case where some of the type of measures that we're adopting have been adopted in other provinces or whatever, that the demand for facility-based care has fallen, as more people have been enabled to stay in the community. So I just wondered about your comments on that.

Mr Hughes: Yes, thank you very much for that point. Your perception is much broader than ours. Because we don't know what the overall scheme is, we notice incident by incident, without seeing the whole pattern. We try to see the whole pattern; it's very difficult. It's easy to see something being closed down. It's very difficult to see things being reassigned and redirected. I'd certainly take your word for that. Thank you.

The Chair: Thank you very much for coming before the committee this afternoon. Among other things, we'll look forward to the report on the first nations.

Mr Hughes: Thank you, Mr Beer.

ROYAL CANADIAN LEGION—ONTARIO COMMAND

The Chair: I now call on the representatives from the Royal Canadian Legion. While they're coming forward, I'd like to just inform the committee that we have received copies of the manual that people were discussing and I've asked the clerk to distribute those now.

Gentlemen, welcome to the committee. If you'd be good enough to introduce yourselves for Hansard and then please go ahead with your presentation.

Mr Ross Paterson: Thank you very much. My name is Ross Paterson. I am the president of Ontario Command of the Royal Canadian Legion. Mr Jack Currie is with me; he is chairman of our veterans' services committee for Ontario Command.

The Chair: Welcome to the committee.

Mr Paterson: Jack will do most of the talking today.

The Chair: Is that the way it works in the Legion?

Mr Jack Currie: No, not really.

Mr Paterson: Not really. He's done most of the work, too.

Mr Currie: Thank you very much for having us. First, I would like to give you some background on the Royal Canadian Legion. It's one of the largest organizations in Canada and we are still best known for our work for veterans, ex-service members and their families. That's true, even though Canada's war veterans are gradually disappearing and the average age of Second World War veterans is now 71 and Korean veterans 60 and over. In fact, our work on their behalf in the years ahead is not expected to

decrease. Their numbers are shrinking and their needs are changing as they age, but their demands and those of their dependants are actually increasing.

In 1990 the Legion provided more than $5.5 million in direct support to needy veterans and contributed over half a million hours of volunteer time assisting 66,852 veterans, ex-service members and their families.

Although we are best known for our assistance to ex-service persons and their dependants and our Remembrance Day activities, the Legion has long accepted its responsibility to be a productive and supportive part of the community.

With representation in virtually every village, town and city in Canada, this commitment is far-reaching. Perhaps the easiest way to illustrate this commitment is through a couple of examples. Nationally, the Legion spent $5 million on medical services and equipment in 1990 and the Legion contributed nearly $44 million to community-level charities and 980,650 hours in volunteer time to community projects in 1990. We fully expect the Legion's commitment to these community support programs will continue and grow in the years ahead.

The Legion's contribution in Ontario: Those who work within the Royal Canadian Legion are aware that it makes a significant contribution to the economic and social wellbeing of communities in Ontario. The extent of our contribution, however, is not always easily recognized. Ontario Command has nine districts, 446 branches and 176,000 members.

The charitable foundation of Ontario Command approved over $600,000 in donations to hospitals and health care facilities in Ontario at its annual meeting on November 12, 1992. It also committed to provide $450,000 in bursaries to Ontario students for the 1992-93 academic year under the Ontario bursary program. I would like to add, ladies and gentlemen, that we also have found that another $500,000 was contributed by branches directly to the hospitals in their communities.

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The Legion's citizenship in the communities of Ontario ranges from taxpayer to employer to consumer to donor of time and money. Based on information submitted by 172 of our branches, we estimate the following for Ontario Command: gross revenue, $11,835,315; municipal taxes paid, $4,694,179; licence fees paid, $1,394,870; the number of employees, 2,996, with salaries paid of $19,249,997; total moneys paid to contractors for maintenance, repairs and construction, $7,816,453; we gave donations of $20,717,186; volunteer hours were 1,723,028 hours, and the use of our facilities by community groups was 51,707 times.

Our organization is an advocate for all veterans, as you can see. We contribute immeasurably to the communities in Ontario.

Our veterans' care: The Legion has a long-established commitment to veterans' care. In Ontario, our veterans services committee formed a subcommittee to address specific concerns relating to the advocacy of institutional care for veterans in Ontario. Members of this committee have now begun to meet with Ministry of Health representatives to discuss issues of concern to the Legion. Our participation in public consultations such as this one has been strongly recommended by our contacts at the Ministry of Health, and this is the basis for our presence here today.

Our concerns regarding long-term care; a guarantee on priority access for beds for veterans: Bill 101 does not include any guarantee with respect to the priority access beds. We have been advised by the Ministry of Health officials that the long-term care reform will not violate the right of veterans to the priority access beds provided for in the transfer agreements from Sunnybrook, Westminster and Rideau Veterans Home. This alleviates some of our concerns, but we are requesting that this guarantee be included in the text of Bill 101.

Legion care and housing projects: The Legion has provided a startup cost and funding for several projects in Ontario. One of the examples is our Metro Legion Village. We have been advised that the long-term care reform will apply to this particular project if it is funded by the province as a home for the aged rather than as supportive housing. We are concerned that the admission process, as defined in Bill 101, will not provide some preference for veterans. Given the Legion's substantial contribution to these projects, we think this is not an unreasonable request.

The closed beds at Sunnybrook: We recognize that Bill 101 does not apply to chronic care and that the closed beds at Sunnybrook in K wing are chronic care beds, but we want to ensure this issue is raised to the extent of long-term care. The 45 priority access beds for veterans in K wing have remained closed for over two years, despite past assurances that this situation is temporary, a waiting list of needy veterans could fill these beds and a transfer agreement that provided for these beds for veterans.

It has been said before and we say it again, "Time is running out." There is no special interest group more meritorious than this group and their needs must be met in the short term or they will not be met at all.

The coordination of placement service: Our organization remains concerned that the right of veterans to be recognized and receive all levels of care authorized by the veterans' care regulations might be jeopardized by Bill 101. The veterans' health care regulations provide for residential and nursing care and partial funding for the care that is provided under the veterans' independence program, Veterans Affairs Canada, for certain eligible veterans. We want to ensure that the admission policy will continue to provide for social admissions and necessary adult residential care for veterans.

The Legion is concerned that additional budget restraints may result in further erosion to veterans' care in Ontario. We would like to establish a commitment by this government to ensure that this special group will be protected from future restraint measures. A Sunnybrook K wing situation cannot happen again.

Our organization extends its thank you for your consideration of this brief.

The Chair: Thank you very much for your presentation. We all recognize in our own communities what the Legion does. It's always stunning when one sees it laid out

on either a provincial or national basis. So we thank you very much for this information.

We'll begin the questioning with Mr Wilson.

Mr Jim Wilson: Thank you, sirs. As the Chair has indicated, it's true that the Legion in many of our communities, particularly in rural Ontario, is indeed the lifeblood of the community. We certainly appreciate your presentation today on behalf of your comrades.

I think you raised a couple of very good points, particularly your first point, which leads me to believe that perhaps we could support an amendment supporting your request that the guarantee of priority access to beds be included in this legislation. We'll contemplate doing that. I give you that commitment on behalf of the Ontario PC Party.

Secondly, I want to ask about point 4, the coordinated placement service. Through the Chair, I guess I really want to find out from ministry personnel who may be present here today, or perhaps through the parliamentary assistant, whether or not there have been discussions with Veterans Affairs Canada concerning the veterans' independence program and the coordinated placement service, the point contained in number 4. Perhaps the parliamentary assistant would like to comment on that or get back to us on that.

Mr Wessenger: We could call on ministry staff to respond to that, if you like.

Mr Jim Wilson: If the presenters don't mind, I would like to hear whether there have been discussions in that regard. It's an important point.

Mr Wessenger: I could certainly ask the appropriate staff to reply to that question.

The Chair: If one of the ministry staff, Mr Laverty, would come forward.

Mr Patrick Laverty: I'm not aware of specific discussions between ourselves and Veterans Affairs on that, but I cannot guarantee that there have not been discussions with the residential services branch.

Mr Jim Wilson: Thank you, Mr Laverty. Could I, Mr Chairman, through you to the parliamentary assistant, perhaps request a written response to point 4 from the minister herself, so that we have some assurance that this isn't being overlooked? I think it's a point that certainly would not have come to my mind had it not been raised in this presentation.

Mr Wessenger: I'd like to add to that request, since I think it would be very helpful if we had an opinion from legal counsel that Bill 101 does not in any way affect the transfer agreements for these particular homes—first of all to get a legal opinion if there is a problem, or if the rights are protected.

Mr Jim Wilson: With all due respect for you being a lawyer and other lawyers, I'd prefer to have the minister's signature to a legal opinion.

Mr Wessenger: No. I think we ought to have a legal opinion on that.

Mr Jim Wilson: I'm not sure it's any good at the bank, but I'll try.

Mr Wessenger: I think it would be useful.

The Chair: I don't want to jump in between lawyers, but the request has been made and we will get that clarified, or I'm sure we'll have more questions about it.

Mr Jim Wilson: Thank you, Mr Chairman, and thank you, sirs.

Mr White: I want to commend you both for coming forth. I recall being at the Whitby Legion, Branch 112, at the 65th anniversary dinner. There was quite a list of the former presidents. When Harry Inkpen read that list and described those presidents and the history of the Legion, after many of them he reflected that in their final years they were in decaying health or in poor health.

I think that really speaks to the issues that you're bringing forth, that so many veterans, so many legionnaires, are at a point now where your needs are overlapping very much with those of other seniors in need of that long-term care. When my father goes to the D-Day dinner here in Toronto every year, he reflects upon how the numbers grow fewer. They are important, and your status is very important. I very much appreciate the very articulate requests that you have, for example, the amendment that Mr Wilson just referred to and that, as far as I can see, should be well supported.

I'm wondering in regard to a couple of items; number 4, first off. The level of services that might be needed, whether it might be home care services or other kinds of services for veterans, aside from chronic care in hospital, which you've already discussed, is there money that follows from Veterans Affairs that would pay for, say, services at home?

Mr Currie: This past year, the total amount that Veterans Affairs paid in Ontario on what we call the veterans' independence program, which is help in the home and all the needs that are needed in the home, was $6.7 million. We have some 28,000 veterans on the veterans' independence program, and I believe 42,000 different contributions were made. This has been going since 1985, and the Legion stepped in four years ago with what we call our Legion Still Cares program, so we bumped those numbers up from about 18,000 to 28,000 in a short time.

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What is happening right now is that these people who are getting the veterans' independence program in their homes are now getting to the point in age where they need some institutional care. One of the things we noticed very quickly is that if the veteran is living at home and his wife is the care giver, if something happens to her, then we have two people to look after. This is happening in our Legion homes. Quite often we have two people to look after rather than the one, and these people are getting up in age. We say the average age is 71, but this includes a lot of the boy soldiers who went overseas when they were 17 or 19, so a lot of us, like myself, are older than 71.

Mr White: It would certainly seem to me that if you have a flow-through like that, where frankly the federal government hasn't been generous in terms of health care funding and the cap on CAP etc and we have been faced with a lot of budget cutbacks—where we have a situation like this, I'm sure the minister would go out of her way to

ensure that those moneys would continue to flow in a prioritized way such as you request.

The other issue I was going to pick up on was Legion housing. Is it presently under the Ministry of Housing as social housing?

Mr Currie: No, most of it is under our own. We have 38 different apartment building housing units in Ontario. The one in north Toronto called Finchhurst was started in 1947, and was put there by Legion money. The land was a grant, actually, from Veterans Affairs; as long as we provide housing for veterans there, the land is ours and it's tax-free. We provide 150 apartments there and the Legion maintains it. All we ask the people who live there is $140 a month for a single and $190 for married quarters. That just covers our costs of operation, so anything else that is needed, like any major repairs to the building, is done by grants from the Legion.

Mr White: That sounds like supportive housing as opposed to a home for the aged, though.

Mr Currie: Yes.

Mr White: Thank you very much.

Mr Wessenger: My question has probably been answered, but on your point 2, with respect to the Metro Legion Village, I gather you would be quite happy if the project was funded as a supportive housing project. When you're questioning whether it should be funded under homes for the aged or supportive housing, you're really just looking for money and it could work as a supportive housing project. Is that correct?

Mr Currie: Well, I'm not quite sure of that. Once again, the Metro Legion Village is standing on land that was donated to the Legion. The original building was built with money that was raised by the Legions and it has a mortgage, a small CMHC mortgage. We do get funding for the people who are in there. I haven't been on the board there now for two years, but during the years I was on the board, I know the home went into the hole about $137,000 a year. Many of the veterans living there are people who have not got income enough to pay their way, so if what the Ontario government gives is not enough, we pick up the balance; over the years this has been roughly $137,000, sometimes a bit more.

We've had help now from the veterans' independence program from Veterans Affairs of Canada: If a person qualifies, they give us $80 a day to look after him when he's in our home, and this helps. Our commitment has been going downhill, but there is money from the Ministry of Health as well.

Mr Wessenger: To follow up with respect to your waiting list for needy veterans at Sunnybrook, is the waiting list more a reflection of the need for care per se—obviously, they do need the care—or is it also preference: the fact that they want to go to Sunnybrook because of the social aspect of it?

Mr Currie: I guess if you were a veteran, you would like to go to Sunnybrook because it is a veterans' home and there is support from the Legions in there; last year to about $68,000. But the point is that many of the veterans there need care. They must have a war disability pension to come into K wing or J wing, and they're there because of that. Of course, there could be the possibility that they like to go there.

At the present time, there's quite a little problem: Those veterans who are living there are going to have to pay room and board to $550 a month. This is a concern we have too. I know that those who do not have enough income will not have to pay it. At the same time, we feel that the pension a veteran gets for a disability overseas is not to pay for his keep. We should have medical care for our veterans.

Mrs O'Neill: Thank you so much, gentlemen, for coming. "Comrades one to another and beyond," I know is your term. I would like to say that there are groups you communicate with on a regular basis that many others don't, and one of the groups is the MPPs, and I want to thank you for keeping in touch with those of us who are in the legislative role. The other group that I really admire your efforts in, which I don't think you specifically mentioned, is your contact with our youth and your persistence to remember those who either died on the field or have died since. You have certainly created traditions in all these communities you're in. You have not let us forget our sense of history, and you really demand that we stop and reflect at least once a year on those achievements and donations of actual human life.

I totally admire your volunteer efforts. I don't think many of us realize just how broadly based they are.

I really think you should pursue your request for priority placement for Sunnybrook, Westminster and Rideau. I hate to say it, but I don't think we can presume that, and I really feel it is in your best interests, and will be in ours, that you pursue that in legislation. Other legislation has included much less of importance, in my humble opinion.

I've had many letters from Legions in the last few weeks. I think your fees for elevator licences have gone up drastically, and I'm not very happy about that. I hope some of your letters will reach the right decision-makers in this place. We are certainly bringing our support to your cause, because certainly you were somehow misinformed about what the obligations would be once you had tried to install elevators for the disabled in your own communities and for the many people who use your facilities beyond your own members.

I thank you so much for coming. I think it's wonderful that we have some of your achievements on the record now. I don't think there is any problem with your being too modest; I think that is your characteristic.

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Mr Paterson: I want to assure Mrs Sullivan that we will not stop protecting the beds of the veterans and will continue to work for the beds of the veterans. Twenty or 25 years ago we would never have thought that we would be experiencing a feeling somewhere in the province that it is not necessary to keep these beds open and that we're all dead. There was a survey taken a number of years ago that said that people like Jack and I would no longer be around in 1995, so there wasn't such a problem in terms of worrying about the veterans.

We veterans are fewer in number, but a lot of people don't realize that when we get fewer numbers we're getting more problems. We're all getting older, and some of the things we experienced overseas have contributed to the fact that we are getting older more quickly than we should have and we have all these related problems.

We know there is good feeling, but our concern is that we don't have something on paper saying that this is protected. That feeling is not going to be there a few years down the road, because we're already experiencing that in trying to fill these beds. When the PI wing in London closed and we transferred our people from the PI to Parkwood Hospital—I'll use rough figures. There were 90 beds taken up by those people who were moved over to Parkwood, so we had 90 beds that should have been filled. Fifty of these were going to Rideau over in the Ottawa area; we still have 40 beds which are in limbo. We are making sure that those beds end up somewhere, and we hope it will be in northern Ontario. But that's an acute problem right now.

The problem is that we have to have some guarantee that we will still be able to run these institutions that we have built and maintained, with some help of course, and still be able to contribute to them. District D alone here in Toronto, which is the Metro part of Toronto, twice a year contributes considerable thousands and thousands of dollars from the branches for the maintenance of the Legion village and Finchhurst and the other facilities around here, and that's direct money which goes to support it that nobody else puts in there.

We do have in our possession—and I really don't believe the statement made at the time was indicative of the majority, but it said that veterans' needs will be looked after along with the rest of the public. Since that statement was made in a letter it hasn't come up again, and I think we've made enough pressure that that's not going to happen. We're just saying put something in the bill which will say to the people who have come along after us that we have some guarantees that veterans' priorities will be looked after.

We had no problem when we came back from overseas—Jack and I both spent over three years over there—because we were all waving the flag at the time, but unfortunately the flag doesn't get waved too much at the present time and we have major concerns. We're sure that your committee, in looking at this, will look at that problem we have, because we want to continue putting that money back into the community and helping our people as well as helping the rest of the public.

Mrs O'Neill: Gentlemen, I'm Mrs O'Neill. This is Mrs Sullivan. I am from the Ottawa area. Ottawa-Rideau is my riding, and that's why I'm so familiar with Rideau. I just didn't want to have mistaken identities.

Mr Paterson: I'm sorry; that's my bifocals. I apologize.

The Chair: We confuse them all the time.

Gentlemen, I want to thank you for your presentation. I think you've made your points very clear, and the committee will certainly take those under its wing as we go about preparing our report on this bill. Thank you again for coming.

Mr Paterson: Thank you.

FEDERATION OF ONTARIO FACILITY LIAISON GROUPS

The Chair: I would now ask the representatives of the Federation of Ontario Facility Liaison Groups if you would be good enough to come forward. I think we see one face from this morning. We welcome you all to the committee. Would you be good enough to introduce yourselves for Hansard and then please go ahead with your presentation.

Mrs Margaret Paproski: I'm Margaret Paproski, the president of the Federation of Ontario Facility Liaison Groups. With me are Peter Delsnyder, our vice-president, and Janet Allingham, our secretary.

Just for a bit of background, the federation represents eight groups of parents, relatives and friends of people who are developmentally disabled and who live in Ontario institutions. It was formed because we felt that the needs of people who had profound disabilities and who lived in institutions were neither understood nor were their needs realistically addressed by proponents of the policy to close institutions and to use only community generic services.

We appreciate very much the opportunity to attend before this standing committee. Unfortunately, from our perspective, the long-term care initiative has been directed at the elderly population and the physically disabled population. However, there's a significant population of adults who are developmentally disabled, who also require care and services throughout their lifetime. Many of them have physical disabilities, mental disorders, and in the case of the institutions, a growing number of them are elderly.

Although the responsibility for the care of these people lies with the Ministry of Community and Social Services, the needs of these adults within this population who require long-term care are not being addressed to our satisfaction by that ministry.

I'd like to give you a brief run-down of one facility in particular on which I have statistics, and the material that has been distributed also refers to some others. At Rideau Regional Centre in Smiths Falls, approximately 90% of the people there have been diagnosed in the range of severe to profound mental retardation; 85% at that facility are over the age of 30; 45% are over the age of 40; 6% are deaf; 46% have epilepsy; 16% have cerebral palsy; 33% exhibit severe behaviour problems and 19% are non-ambulatory.

These people require very significant needs and specialized services. We're very concerned with the deinstitutionalization process and their placement in group homes where, at this point in time, there does not appear to be good monitoring, evaluation and assessments of the programs in the community, and because of their inability to speak and to advocate on behalf of themselves, we feel they are being placed at risk.

We've also, in the past couple of years, visited each one of the facilities we represent and have just brought a new one, Oaklands, which is a schedule 2, into our fold. It is interesting to note that, especially with Oaklands, which was originally designed to be an alternative to the large institutions, as a short-term place where people could be educated in the community, take part in the community

and then be transferred into community life, the facility itself has become a long-term care facility.

That is appearing also at D'Arcy Place and AOC, the Adult Occupational Centre at Edgar, which were designed as short-term placement areas. They now have people with severe behaviour problems and severe medical problems which cannot be met in the community. We have people who are on the merry-go-round, who are discharged into the community to a group home, to another group home, another group home and to a hospital and to a psychiatric hospital or a correctional institution, and hopefully then, back into an institution where their needs can be met and addressed and they can live a more fulfilled life.

The interesting thing, especially with Oaklands, is that in spite of very widespread and significant lobbying by senior staff and some board members of that facility, there are a significant number, in fact the majority of families, who are opposed to its closure, and yet they're not being listened to. It seems a bit bizarre to me that there would be members on that board who would be advocating Oaklands's closure and yet are responsible for its operation. There seems to be a conflict.

Other senior citizens have the option to live in senior citizens complexes and, as we've heard, in institutions and facilities which provide long-term care for their particular needs, and where they can also enjoy the company of neighbours with whom they can share their cares and joys, who understand and who are willing to support them.

It's our contention that the people we represent, those with very severe, profound developmental disabilities are being discriminated against under this policy to close institutions. We are told that they need choices. They are not being given choices. If their choice is a group home, which is, as I said, not inspected, not monitored, once they are in the community they become the responsibility of that community, of those agencies in the community. The ministry, because of its refusal to track, does not know what is happening to these people. We know of people who are in very dire straits, living on the streets, being constantly tormented by people in the community because of their differences and because they don't fit in and who are living very lonely lives.

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It is very clear to us that there is a need for specialized congregate long-term care for some people who have developmental disabilities. As I said earlier, we were disturbed to find out that this population was omitted in the discussion and the development of this bill for long-term care. They require long-term care.

There are some aspects of the bill in particular that we are very supportive of; for instance, the enhanced accountability to ensure that resources are directed appropriately to improved care and services for residents. This is a very positive move and obviously relies on some evaluation of what is happening and ensuring that there is accountability for the service to the person receiving it. Tied into that is the development of standards and criteria, which, again, if a person is discharged to a group home, are not standardized throughout the province. There are tremendous inequities in the system.

I heard a question earlier while I was listening to the presentation on service agreements. We are totally in favour of service agreements in that they empower the individual or the persons representing that individual to ensure that they are getting the services they require, and as those requirements change that service agreement changes so that their needs are being fulfilled and met.

I also like the idea of a funding formula which increases the ability of residents to age in place. For many of our people, changes are traumatic. To move even from one ward to another ward within the same facility can have a person regress two years in time before he feels comfortable enough and the people with whom he is working understand him well enough that he can again feel he is a part of that family grouping.

Also, as I say, from my understanding we have had a subgroup working with the Ottawa area and Rideau regional staff in trying to look at new ways in which people could be placed into the community from Rideau Regional Centre. One of the issues that came up was the issue of inspecting and ongoing monitoring. Apparently, the authorities there in the various acts—there are various acts, such the Homes for Retarded Persons Act and the Developmental Services Act, but nobody's doing anything about them; nobody's inspecting these homes to ensure that the programs within those homes are meeting the needs. Program supervisors may be talking to program supervisors, but who's going into the home or who's taking the person out of the home so that he can fully and freely say how he feels about living in that particular home?

We also like the proposal of new sanctions for non-compliance. Sometimes it takes too long, as you probably read in the paper lately, with the closure of three group homes in Alberta, where a situation had been going on for in excess of two years before the minister, I believe, went in and said, "That's it, no longer can these homes operate." Our people are very much at risk.

We also like the initiative to share information, not only with the residents, but if the residents do not comprehend exactly what is going on or the schedule and services of that facility, their families can speak to the staff and know what's going on. We like the idea of a consistent policy and province-wide system for coordinating access for people.

We have three recommendations—I guess they're basically requests—because we have not been involved in this process:

(1) We feel that institutions should remain an option for long-term care, treatment and training of adults who are developmentally disabled and whose family or who themselves choose that option. They should not be discriminated against by not having that option available.

(2) We believe that the care, treatment and training, and the environment within these institutions should be upgraded to provide a full range of service, based on the standards set by best practice. There are tremendous inequities in the institutional system in Ontario. Some have very good day programs that people are going to; others have very little.

There's also a misconception in the community that the community is losing out on services because of the money that is going into facility care. In actual fact, since the beginning of the Multi-Year Plan, the institutions have been losing out and their services have been cut. While our professionals are diverted to the community to provide community care, our residents, through no fault of their own, are being left without speech therapy, physical therapy and other programs.

(3) Finally, and the most important, I feel, for this particular committee, is that adults who are developmentally disabled and who require long-term care, be included in and protected by the intent of the proposed legislation and that the responsibility for long-term care be shared by the ministries of Health, Citizenship and Community and Social Services for this group.

The Chair: Thank you very much for your presentation. We'll begin with the questioning. Mr Wessenger.

Mr Wessenger: I'd just like some clarification of your position with respect to institutional care. I understand your position that those people who are in institutions at the present time and have been for several years—you're very concerned about the disruption caused by a complete deinstitutionalization. But I wonder about taking that a step further. The position has been put to me on many occasions by many persons involved in, say, the Ontario Association for Community Living, that it's a more ideal setting to have people in a group home setting, as distinct from a larger institutional setting and that people do much better in that type of setting. It was interesting, even, I think, that there was some indication from the Huronia group this morning that when you move to a cottage-type arrangement with an institution, you get much better development and social interaction in that setting.

I'd like you just to comment on that aspect. Do you disagree that the group home and the small units are generally a better way of dealing with these more difficult cases?

Mrs Paproski: I would think categorically every one of us would support smaller units of residential care, whether it be in the institution or the community. We have an outdated mode that institutions should warehouse people in large wards, where they basically are warehoused, where they are basically driven insane because they are living too many people in one very small section.

I think what has been most disturbing to me with the cutbacks to the institutional service in the last couple of years in particular is that as wards have been closed, instead of using the empty ward to split a ward and take 20 people and divide them, 10 and 10, into a home-like environment where they have their own bedrooms, a living room and can operate in a more family-like setting, that space has been taken over for whatever other purposes, whether it's office space or supplying things, and our ward population in almost all the facilities has increased, so that instead of having 20 in a ward, which we felt was over the maximum, we're now looking at 23. As we've said before, it appears to us that somebody is setting up the institutions to fail.

Oaklands, as I indicated, and Huronia and certainly Rideau have what we call transitional homes. Up until the Multi-Year Plan, the development was to get people living in more home-like environments, having their own little kitchen. That's all gone backwards.

So there is this outdated mode of what an institution should be, that it should be large wards, bars on doors, locked doors. That doesn't have to be. One can have a community which functions as a part of a larger community. For instance, Oaklands is right in the middle of Oakville. People go out to the community on a regular basis, people come in to them, yet they function in a very protected, secure environment and one to which they can relate.

I think one of the things we're finding with people who have been discharged to the community is that the stress of the community life is such that they are developing more problems, psychiatric problems. They cannot cope with that stress.

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If I could just take you back—I don't want to speak too long because I have two colleagues, I am sure, who could respond—I visited an institution in Holland which was based on the group home models. There were not more than eight people in each home. One person had been transferred to the community at least twice and came back each time because he chose to. He was about 27 years old. He couldn't cope with the stress; he came back. He became the mailman of that facility, was a very important person and functioned very well. The option was there for him that whenever he felt he could try to go out again, he could go. But as long as that's where he wanted to be, where he had a job, where he felt secure and he was important and was sharing his experiences and life, that option was open.

Another was a 45-year-old man whose father had died. He had lived in the community all his life and had all his supports there. They have good supports in Holland. His mother needed a little bit of a holiday, so she left him for three weeks while she took a holiday. When she came back, he said, "Oh, I like it here." It was the first time he'd had friends, when he did not have that abnormal stress being placed on him to be normal when he was not normal. They said: "If you like it, you can stay here as long as you want. You can also leave when you want."

That's an option we want for our people. I really can only see it at this point in time being developed under this long-term care initiative, because there is a denial factor by proponents of deinstitutionalization: Put them out in the community and they will become normal. I'm sorry; it's a lifelong condition. They will not become normal. In actual fact, you make their problems worse by placing undue stress and by isolating them; they have no friends.

Mr Hope: I want to be careful what I say, because I got myself in some hot water around this issue.

Mrs Paproski: Well, I've got myself in hot water many's the time.

Mr Hope: The southwest regional centre is in a neighbouring riding to mine, and I am very familiar with the work they do there. That's all I'll say, but I know some

of the issues you brought forward about making sure that the developmentally handicapped are included in the long-term care. I know the minister shares that same concern, and we are pushing to make sure that the developmentally handicapped are a part of and included in the long-term care initiatives, because a lot of the individuals are physically disabled and are older; I know in the southwest regional centre they are older people. It just makes sense, what you just said, to make sure they're included in it. Multiple disabilities could be there, and we have to cope with them. I'm going to cut out on those comments, just to raise that point.

Mrs Paproski: If I could expand on that, we're talking about people who are already in the institutions, but there are people who live in the community who may also require that type of environment. In fact, in the Ottawa Citizen last night there was an article by Ruby Short, a member of the local association, who appealed to the Minister of Community and Social Services when she was in Ottawa in June to provide larger units of care within Ottawa. She said, "I'm in my 70s, my husband is, we're both developing significant health problems and we have our 41-year-old son at home who requires 24-hour care, and the economics and the community simply cannot provide that type of care in a group home for him." We would be very pleased to see larger congregate care settings.

Ms Allingham: Just before Randy leaves, as the parliamentary assistant to the Minister of Community and Social Services, I believe, would you please take that message back to your ministry? Thank you.

The Chair: I didn't know he was being moved out as parliamentary assistant. Perhaps that means a cabinet shuffle is under way?

Mr Hope: I can only tell you what the papers say. Who knows?

Mr Peter Delsnyder: Aren't there some announcements being made right now?

The Chair: We have been in here, so we're glad you came to give us all this information.

Mrs O'Neill: Thank you, Margaret, for coming. You certainly do know this area as well as anyone, I'd say, in Ontario and likely Canada. I'm so glad you brought to the attention of the committee three things that I don't know are well known; that is, that the ministry does not track the group home admissions once the admission has been made or the group home established.

Another significant thing which comes out of the article that you mentioned from the Ottawa Citizen and from your own brief is that actually there have been more admissions to Rideau than to group homes in the last three years from Ottawa-Carleton and eastern Ontario. The group home admissions now depend on either death or serious illness because there are no group homes opening, even though there are these platitudes that, "Yes, we have to have community-based services." There are many people—and I certainly have correspondence to prove it—who are very like the family in yesterday's news release.

I would just like to say a couple of things to you. The sole choice model, which is a facility planning project term, seems to me to be utterly contradictory. "Sole choice": I really don't feel those two words are compatible, so I'm glad you mentioned that.

I also would like to thank you in particular for the letter from the Comeau family. I think that's something in writing; it's something that's on the record here now at Queen's Park, as well as your testimony. I have no questions—as you know, I've been working quite a long time here—but my colleague does.

Mrs Sullivan: I was very impressed some months ago when I received the first piece of material from Mrs Paproski from the Federation of Ontario Facility Liaison Groups. I had not heard of the organization before, and I was very interested in the documentation that was there, because of course Oaklands is just up the street from my home, although outside my riding. It certainly services people from my community and from the surrounding area.

Those parents have come to me in my constituency office fully aware and fully supportive of group home and community-based services for those who can be accommodated within that environment but feeling very strongly that a larger setting with a concentration of expertise for those who cannot cope with the group home setting is vitally important. They have also been extraordinarily uneasy since 1990, when the first announcements were made, as to what the schedule was, what in fact the plans were, what government was going to do to the people they cared about a great deal.

As we look at Bill 101—and I hear what you're saying about including the group of severely developmentally disabled adults with special needs in the long-term care formula—I'm wondering if we could ask you to do some work and, through the parliamentary assistant, if the Ministry of Health could also do some more work to see where and how any of the proposals that are now included in Bill 101 could be enhanced so that the needs of your particular interests are met.

Is there adjusting that should be made, by example, to the funding formulas? Is there adjusting that should be made to service agreements, to the accountability provisions, to any of the other sections of that bill that would in fact make an accommodation possible so that people with severe, profound developmental disabilities who are aging—which brings with it an additional concern, largely a health concern comparable to the concerns we have with aging in the general population—can be brought to the table and we could have a frank discussion with the ministry about how this particular special group of people can be accommodated within the context of the long-term care system?

I think it's an important thing to do, if we can have some more particular help from you, and I'd certainly like to see what the ministry can put on the table before our hearings are finished.

1630

Mrs Paproski: I appreciate that. We do labour under some difficulty in that we're all amateurs, all volunteers. We certainly do not have legal expertise, which I think is

very helpful in drafting bills. If the parliamentary assistant would contact me and clarify some issues that maybe he thinks we should address, we would do our best to attempt to do that. We're looking at, as I say, an aging population, but we're also looking at people as young as 20 and 25 who maybe should not be in nursing homes. We have identified these people as developmentally disabled. They need programs to help them to develop their potential as far as possible and also to maintain the skills they have learned. We still would like to see them identified as a particular group of people with particular needs.

Just in relation to what Mrs O'Neill said, I'd like to make it very clear that over this year there will be no demissions, as they call them, from Rideau Regional Centre. Now, in some ways this makes us very sad, because we had a number of people of francophone descent who were all prepared to move out this year, but the funds for their dismissal or demission have been withdrawn and diverted to other centres, such as Oxford centre, which did not know it was slated for closure and now has a closure date. There are absolutely no demissions from Rideau Regional Centre this year, yet in the Ottawa-Carlton area the community is crying for money and saying, "It's because the money is in the institution." But here you had at least 30 people who were ready to go, and they've been told they cannot go. Something's going wrong with this whole system.

Mr Delsnyder: Before someone takes exception to Mrs Paproski's referral to the closure date at Oxford Regional Centre, it's not closure. They seem to want to shy away from that word "closure." They call it "zero population by April 1996."

Mrs O'Neill: That's even worse.

Mrs Paproski: Just like "zero admissions," yet we are having admissions all the time.

Mr Hope: Mr Chairman, I'd just like Mrs Sullivan's clarification of the information she's looking for. She's saying to table some information. What information specifically is she looking for from the ministry people?

Mrs Sullivan: I think the parliamentary assistant understands what I'm looking for.

Mrs Paproski: I hope he does.

The Chair: We'll sort that out.

Mr Jim Wilson: The latter comments from the vice-president remind me about a problem we're having in Simcoe county too in terms of Huronia Regional Centre when we deal with community living associations, which see a tremendous amount of staff being retained at Huronia Regional Centre and a staff ratio far exceeding anything we can get in the community-based settings. There's a lot of debate among citizens who approach their MPP wondering very much what's going on. We've had three group homes, as Mrs Allingham would know, built in Stayner, but we've no operating money for those homes, and I think a lot of people, rightly or wrongly, look at Huronia Regional and say, "Yeah, because of the unions they've maintained all the staff, but they've been decreasing the population of residents." There's a real problem there, and it comes to mind vividly as you describe the special needs of developmentally handicapped or disabled individuals.

Mrs Paproski: Could I give you some figures on that?

Mr Jim Wilson: Yes. Anything to clear the air would be helpful.

Mrs Paproski: We look at wage parity, and I do know the gap varies anywhere from 15% to 30%, community to facility, in favour of the facility. In spite of that, the Oaklands per diem cost is approximately $178. AOC goes up to about $250, and that's for total cost: That's medical care, vocational training, day program, education, physio, the whole caboodle. We know of homes which are receiving $240 to $500 per diem for residential care alone in the community.

Now, something else is wrong. I know in Ottawa there are more than 20 agencies delivering group home service and a few other services to developmentally disabled in the Ottawa-Carleton region. Does that mean there are 20-some executive directors drawing salary? I don't know what's going on, but those are the cost figures I have.

Mr Jim Wilson: You're right. I think Huronia Helpers—just to clear the air, I agree with what Huronia Helpers said this morning, and it's probably reiterated in your brief, that there's not a lot of good proof out there that community-based group home care is cheaper than institutional care. In fact, the empirical evidence would suggest otherwise, and I think that's what you're indicating in your figures. I buy that argument.

However, we have the problem that some families prefer group homes, although it is the position of my party and has been for a number of years now that we must have the balance there of keeping institutions and other modes of delivering services in other residential settings.

That's why I want to ask you this: On page 9, when you're talking about what you liked in Bill 101, I thought I heard you say something about liking the new sanctions for non-compliance, new quality measures. I thought you said this would help in monitoring group homes. I wanted to make clear that group homes, of course, aren't part of this legislation. I know you know that, but I wanted you to clarify that for us.

Mrs Paproski: Group homes operated under MCSS?

Mr Jim Wilson: I'm open to knowledge on this, but unless they're a long-term care facility of some sort, I don't think this legislation is addressing group homes.

Mrs Paproski: Right, and that's why I'm requesting that, especially for severely and developmentally disabled people. I am speaking from a facility background, but we do know there are people at risk in the community living in group homes where that is not occurring, and I don't think that's right either.

Mr Jim Wilson: On that, I have a suggestion, and I think Mrs Sullivan had a good question and statement regarding improvements to Bill 101 itself that the committee's dealing with. You raise some very serious issues, and in my reading of Bill 101, it's going to be difficult to amend what the government's given us to alleviate some of your

concerns. It will be difficult to amend this particular legislation.

So perhaps we should instruct the government to put a freeze on, to stop converting your institutions to long-term care facilities until we get this mess straightened out, until there are resources in place for developmentally disabled individuals. You mention a couple of facilities that sound like they've been converted or will be converted and absorbed into this long-term care reform. Am I right about that?

Mrs Paproski: They will be diversified to the community and then divested, so the facility itself will cease to exist.

Mr Jim Wilson: Does that mean, in layman's terms, that we could have very young developmentally disabled individuals who are in long-term care facilities run like nursing homes under this bill?

Mr Hope: They are in there now.

Mr Jim Wilson: I know we do, and the trend's been away from that, but I'm just wondering—

Mrs Paproski: Well, the trend is away from that, but I suggest you contact some of the children's hospitals, like CHEO, the Children's Hospital of Eastern Ontario, in Ottawa, and you'll find that there is a significant number of children being raised in that hospital because there is no other alternative.

Mr Jim Wilson: I've toured it.

Mrs Paproski: The reason young families are not applying for institutional care for their child is because, number one, they can't. They will not accept applications. It's only on short term that they will take them in and they certainly won't take the very young ones, and then one could be on a system of foster homes. You need that type of support. So they are not accepting people and children are being raised in hospitals. Is that a better environment than a family environment with an educational component, a health component, and which functions more as a community, where the family also maybe has better opportunities to visit and bring the child home to what he or she perceives as a normal environment, with the supports they need for visits and that sort of thing?

1640

Mr Jim Wilson: I just want to make it clear that although I'm temporarily confused, I'm not giving you the opposition platitudes. I'm trying to to sort out in my mind what it is we can do to be helpful. I want to leave you with that, because I know the Chair's going to cut me off.

We want to be helpful, and taking up Mrs Sullivan's suggestion, perhaps a series of meetings outside of this committee would be helpful in trying to work with either this legislation or some other solution, because in my heart of hearts, I agree with you. I raised some of the other red herrings that are out there, but I realize from my experience with the riding next to Huronia Regional Centre that the expressed wishes of many parents are in danger of being ignored in this long-term care reform, and we want to be helpful.

Mrs Paproski: I'd like to thank you very much. I'm sorry we didn't get here for the first round of hearings, but we really couldn't get the information on long-term care and were told it was not an area in which we should be getting information. That's why, unfortunately, we're in at the last round.

Mr Jim Wilson: Thank you on behalf of everyone. You should be very much involved now because you've raised some tremendous concerns that are going to take the wisdom of Job, I think, to correct.

The Chair: You mentioned earlier, or somebody mentioned, hot water. I should note that I at one time felt a good deal of hot water, when I was in another position. But hot water, like cold water, can sometimes focus the mind, and I want to say, Mrs Paproski, that certainly over the time that I dealt with your association and with you personally, it's been a voyage of discovery and education. I think again today you have all provided us with a perspective and some insight on the relationship between the developmentally handicapped and the whole question of long-term care, and this is something that as a committee we need to look at and consider. As Mr Wilson says, whether it is something that can be dealt with directly in this act or in some other way, there clearly is an issue there that we can't just pretend doesn't exist.

On behalf of the committee, I would like to thank you for coming. We really appreciate your presentation today.

Mrs Marland: Can I just ask one thing for clarification?

The Chair: I wouldn't dream of not allowing you to ask a question for clarification.

Mrs Marland: When you said these young children could come home to their families and have all the support services in the family home, you meant the family of the child, did you? Or do you mean other families who are willing to look after these children?

Mrs Paproski: I think that basically the family of the child is usually the right selection, if they can have the appropriate supports. To an extent, that happens now with your special services agreement. Unfortunately, that runs out at age 21.

Mrs Marland: I'm meeting tonight with the parents of the children over the age of 21.

Mrs Paproski: Thank you very much. I hope I'll hear from you in relation to what we can do further.

Mrs O'Neill: Mr Chair, is the Hansard from yesterday ready yet? We were promised it in the afternoon today. Has that promise been able to be kept?

The Chair: We'll just check through the Hansard office.

BAYCREST CENTRE FOR GERIATRIC CARE

The Chair: Would the representatives from the Baycrest Centre for Geriatric Care come forward. This will be our final presentation this afternoon before the evening sitting. We welcome you to the committee. Would you be good enough to identify yourself for Hansard and then please proceed with your brief.

Dr Moshe Greengarten: Thank you very much. My name is Moshe Greengarten. I'm vice-president of public

and community affairs at Baycrest Centre for Geriatric Care in North York.

Obviously, it will not be possible to address Bill 101 in depth within the available time limits. We will be submitting a written paper to you by February 18 setting out our position in detail and with specific recommendations for amending the legislation. Therefore, I shall confine my brief remarks to four key aspects of Bill 101: first, the regulations, second, service agreements, third, placement coordinators and, finally, the funding system.

With regard to the regulations, it is obvious to anyone who reads through this legislation that so many critical issues are to be dealt with through regulation. It is therefore virtually impossible to comment intelligently on the proposed legislation. There are many areas of concern which may easily be dispelled. At the same time, there may be other regulations which raise significant concern and would suggest the need for amendments to the legislation itself.

To its credit, the government has until now conducted an open process of consultation and discussion regarding reform of the long-term care system. A full and open airing of the issues at stake in this legislation demands that the draft regulations be published and that interested parties have an opportunity to review and comment on them before Bill 101 is passed.

The second matter relates to the service agreements. The proposed service agreements appear to be an exercise in how to create as much red tape as possible. Let me give you one example. According to the legislation, the service agreement may contain clauses dealing with specific classes or levels of care and the number of beds to be so designated. Clearly, this is intended to control government expenditures and is understandable. However, does this mean that only the funding will be restricted? How will a facility defray the costs of care for residents whose needs increase during the period of the agreement? Will there be penalties for facilities which exceed the prescribed allocations of beds? Will it be possible to apply voluntary contributions to defray the cost of care?

The draft service agreement, which is contained in the Long-Term Care Facility Programs and Services Manual—I don't know how many of you are familiar with this document—and which sheds some light on what the regulations may say, further restricts facilities from transferring funds from one envelope to another; for example, from nursing and personal care to program and support services. Does this mean that a facility that is able to achieve efficiencies in the delivery of nursing and personal care must return funds rather than use them to enhance other aspects of care? Does this mean that it is not in the interests of facilities to achieve efficiencies? Does it mean that if a facility happens to have a lighter mix of residents in a particular month, it cannot apply such funds to other worthy programs or one-time projects?

Clearly, there are more questions than answers at this point. The regulations will deal with some of these. However, our fundamental concern is that the concept of service agreements flies in the face of current principles of total quality management, which the Ministry of Health has itself endorsed. This approach unduly restricts the freedom of action of voluntary boards of directors to govern their facilities in the best interests of their communities. These restrictions, combined with others set out in Bill 101, effectively remove the ability of voluntary boards to govern their own organizations. They might as well become public institutions, managed and operated by civil servants.

The third matter regards placement coordinators. We are extremely concerned that the proposed placement coordination system will erode the multicultural nature of many of our long-term care facilities in this province. The legislation suggests that admission will be based only on the applicant's health care requirements, with little or no consideration of social needs, such as the need for an environment sensitive to cultural, religious and linguistic needs.

Since we have no knowledge of the proposed regulations, we believe it is instructive to examine the new application form contained in the draft manual I referred to earlier. This 19-page document contains all manner of questions concerning the applicant's need for physical care, record of hospitalizations, use of community services etc. There are only two questions, taking up a grand total of four lines within a 19-page document, related to the applicant's ethnic background.

1650

Let me quote from the first page of this application form, section 1, part D: "Languages." First, second, preferred. "Would applicant wish alcoholic beverages?" Yes or no. "Would applicant wish to smoke?" Yes or no. Next question: "Religious, cultural or lifestyle preferences that would influence choice of facility." There are three lines to complete.

It is insulting to the multicultural communities of this province to suggest that the rich heritage of these communities can be equated with smoking and drinking preferences.

Bill 101 states that long-term care facilities must admit applicants approved by the placement coordinator unless grounds for refusal exist in the regulations. What are these grounds for refusal? What assurances can you give multicultural communities that the multicultural fabric of these organizations and facilities they have developed, for which they have contributed significant monetary resources and for which they contribute hundreds of thousands of volunteer hours, will be sustained? We see no evidence that this is the intent of the proposed legislation.

In short, we fear that ethnic seniors will be abandoned by this legislation, that the system of care we have worked so long and so hard to build will be dismantled. It is essential that the principle of supporting long-term care facilities which serve the needs of multicultural and religious communities be included in the legislation itself.

Implicit within Bill 101 are the details of the new funding system, which is the fourth item I wish to speak to. According to statements of the minister, this new funding system will enhance the quality of care delivered to Ontario seniors. We do not disagree with the philosophy of the government to provide equitable funding for all residents of the province's long-term care facilities. However, we fully endorse the position of the Metropolitan Toronto

paper presented to you yesterday on this matter, and I quote: "The proposed scheme threatens to introduce a new standardized level of mediocrity into the long-term care system. This is the real threat to seniors and the future of the long-term care system." This is the position we took in our response to the government's Redirection paper, and this is the position we continue to hold today.

The finest institutions in this province, which are admired throughout the world, are threatened. These include such facilities, just to name a few, as Baycrest Centre, Providence Centre, Metro homes for the aged, Villa Colombo, the Niagara Region Homes for the Aged, Rainycrest Home for the Aged in the north and St Patrick's Home in Ottawa—the very facilities, I might add, that have been in the forefront of the development of community services for the elderly for decades.

The proposed funding system threatens to destroy the quality of care which communities across this province have worked tirelessly to achieve. It devalues this work. It says: "We don't want quality for our senior citizens. We want mediocrity."

The Chair: Thank you very much for your presentation. I would just note that you asked if we had a copy of that document. We did receive it today, so members of the committee haven't had a chance to go through it in detail, but we do now have a copy.

We'll begin the questioning with Ms Sullivan.

Mrs Sullivan: Thank you very much. I couldn't agree more that in order to judge this piece of legislation, given that it's presented in isolation from other long-term care policies and apparently other legislation that's going to come forward, we have to see the draft regulations. I will therefore ask the parliamentary assistant if he will table with the committee draft regulations that will be accompanying this bill.

Mr Wessenger: As the member well knows, regulations are not drafted until legislation is completed, and it would be premature to have regulations drafted before this legislation comes out in its final form.

However, I think we do have the manual out. I understand that there will be further drafts of the manual and that there will be a great deal of consultation with respect to the manual, and I also understand the regulations would be based on the manual. If you're looking for direction with respect to the regulations that will be put forward, I think the manual's a good basis for that investigation and information.

Mrs Sullivan: On this point, I'd be interested in just pointing out what the regulations will prescribe. They will prescribe the funding. They will prescribe the extraordinary payments. They'll prescribe the payments by residents, the care and services which residents will have to pay for or will be able to pay more for. They will prescribe the eligibility for admission to a home. They will prescribe the assessment of the resident, the plan of care, the plan of care revision requirements, the quality assurance plan—even though we think that's the wrong word, because somebody didn't understand what he was doing. They will prescribe the notification about the service agreements. They will prescribe the notification to residents about the access to the plan of care. They will prescribe the complaints procedure. They will prescribe "any other matter." They will prescribe the required types of accommodation, the care, the services, the programs that are going to be offered to residents, the required bed capacities which have to be set aside for residents requiring certain kinds of care. They will prescribe short-stay accommodations and the nature of those.

Mr White: This sounds like one of Jim Wilson's questions.

Mrs Sullivan: Have you read this bill?

Mr White: Yes.

Mrs Sullivan: Well, it's all in the regulations, and nobody has seen the regulations. It is very difficult for this committee and for the public and for professionals who are appearing before us to know what is going to happen to the system when nothing is in front of us. I have no questions.

Mr Jim Wilson: I would echo the sentiments of Mrs Sullivan. It does put us in a difficult situation. As the Chair correctly pointed out to Dr Greengarten, we just received the document you referred to. I know it must be terribly frustrating for professionals such as yourself to have to deal with this.

I do want to thank you. I want, first of all, to inform you that we haven't got the Metro presentation yet, but I did read the newspaper article which contained that quote and found it to be quite interesting. As a member of the opposition, I thought it was refreshing that certainly yourself and Metro homes for the aged and the organization are not mincing words when it comes to very strong convictions about this legislation. Maybe you can elaborate for us and, while you have the opportunity, give all members of the committee a sense of what you mean by the new funding formula forcing you to deliver mediocrity across the board.

Dr Greengarten: Very specifically, it is our understanding, based upon public announcements of high-placed civil servants in the long-term care division, that the per diem funding for long-term facilities in this province will be approximately $90 per day and that facilities whose funding exceeds that level will have their funding frozen or red-circled at current levels until the average funding level rises to the existing funding level for those facilities. This means that the funding of these facilities, which in the case of Metro, as was published in the newspaper, is at $135 a day—much lower, I would point out, than the institutions noted by the previous presenters for the developmentally handicapped. Our own per diem is about the same, and most of the institutions I referred to have per diems in the same range.

It's not hard to figure out that based on an inflation rate of 1%, 2% or 3%, our funding will be frozen for many years to come. We will have no choice but to reduce the quality of service in order to make ends meet. Now, if it is not the intention of the government that our funding be frozen, then we would welcome a statement to that effect, but based on the information that has been made public to

date, we have no choice but to believe that our institution and similar institutions are threatened.

Mr Jim Wilson: Thank you. Mr Chairman, through you to the parliamentary assistant for the Ministry of Health, perhaps Mr Wessenger would like to take the opportunity to clear the air on this issue. Will centres like Baycrest have their funding frozen, as reported in the newspaper? This is the second presentation today. We also had Providence Centre with the same concern and I know we'll have many more, so perhaps you could just clear the air and we won't have to go over this ground again.

1700

Mr Wessenger: The comment I'll make is that I think we'll have to wait until a decision is announced in respect of these matters.

Mrs Marland: Oh, that's a great answer.

Mr Jim Wilson: But you're touting figures like $647 million for long-term care reform and $200 million into this sector, and you know $150 million of that's going to be made up of increased user fees. You seem to know a lot about your funding arrangements. Surely to goodness you can answer this presenter's question, which is a rather serious one, to say the least.

Mr Wessenger: I could ask the presenter a question: How does one justify unequal funding with respect to institutions which are supposed to provide the same service across Ontario? How do we justify the situation where some institutions are funded more than others? I'd like the presenter to answer that to the committee. That's my question. How can you justify a situation where government makes preferences for one centre over another, unless you have particular funding for a particular research project or something of that nature? I would like an answer to that question.

Mr Jim Wilson: I'll let the presenter speak for himself, but I would imagine that many of these centres, like Baycrest, are offering a Cadillac service. What you're going to force them to do is to offer the exact same service as other centres that you've been underfunding for years. I think that's the point here, that the residents of Baycrest are going to be asked to take less service because you're going to freeze their budgets for the next few years, all in the name of equality.

When we talked about long-term care reform, the government wasn't very honest and forthright about this particular point or I think there would have been bloody murder to pay from a lot of residents of centres like Baycrest, Providence Centre and St Patrick's Home in Ottawa etc.

Mr Wessenger: The only thing I can say, Mr Wilson, is that I don't know how I can justify to my constituent who resides in a home for the aged in the city of Barrie that someone in Baycrest gets a much higher level of service than the—

Mrs Marland: No, you just bring everything down to the lowest common denominator. It's called mediocrity.

The Chair: I wonder if we might allow the witness to comment on this whole issue.

Dr Greengarten: I'd be delighted.

The Chair: We'll have our opportunity to debate it, but we really are here to listen to you.

Dr Greengarten: Thank you. We would certainly agree that it is neither fair nor appropriate for the residents of some long-term care facilities to receive benefits and services that other residents of other long-term care facilities do not receive. Is the standard we are aiming for in this province based on a level of mediocrity or worse, or is it based on proven, established, high-quality standards, and should we be striving to fund the care of all residents of long-term care facilities, all seniors in this province, at a high-quality level, a level which is admired around the world? That's the question I would ask. We would submit that it should be the goal of this province to fund the care of seniors in this province at that high level.

Mrs Marland: Well said.

The Chair: Mrs Marland, did you have a question, before I go to the other members?

Mrs Marland: I don't actually have a question, but I just hope the government members are listening.

Mr Hope: We always listen, Margaret.

Mrs Marland: I think what Dr Greengarten has just said is what your government needs to hear, and I say through the Chair to the parliamentary assistant, Mr Wessenger, that yes, you can go back to your constituents and you could tell them you don't believe in mediocrity and you don't believe in bringing everything down to the lowest common denominator.

Here is a world-class facility, and I'm glad Dr Greengarten mentioned that it is known around the world because of its leadership in care of the elderly. I don't know what they're going to be doing now with planning for the future, as their future has just been pulled out from underneath them.

Since Mr Wessenger was able to ask us a question, Mr Chairman, can I just ask him when the announcement—he said we'll have to wait until the announcement. Maybe Mr Greengarten would like to know when the announcement's going to be made, whether or not they're going to be red-circled.

Mr Wessenger: I don't know whether the minister indicated in her statement. Would I be correct that there was an indication by the minister of the approximate time?

Mrs Marland: You don't know what's going on, then. Is that it?

Mr Wessenger: No, I'm just trying to recall what date she indicated. I'm sure it's in Hansard, but I don't recall.

Mrs Marland: So you don't know what's going on; otherwise you wouldn't have to refer to Hansard.

Mr Wessenger: I don't know: It might be the end of March. It might be—

The Chair: We'll check that out. We'll move to Mr O'Connor.

Mr Larry O'Connor (Durham-York): I know that in the process of these committee hearings we sometimes get a little bit carried away, and some of the partisan nature

of the House that we see so often does sometimes get reflected in the committee hearings.

I have heard a lot of great things about Baycrest. When we have a chance in committee hearings like this to hear from different people providing a service that we're now contemplating changing and trying to make improvements to, of course we then go to the experts and ask them, the people who are providing the service. In the course of this discussion just now, we've heard people saying: "How come the bureaucrats haven't done it all? How come you haven't got all the answers?"

You referred to the draft document. You talked about the cultural aspect of it. What I would like to ask you, because you are more of an expert than we are—I don't know whether or not you've been involved in the consultation with the draft document; perhaps you can explain some of that to us committee members, how you've been involved. You talked about the multicultural aspect: Maybe you could give us some suggestions of what you would like to see put into the request-for-admission form. Always looking for ways of improving things, I would like to pose that as a question to you.

Dr Greengarten: When we assess an applicant for admission to Baycrest, we take great pains to explore his or her background, with particular reference to his or her life experiences. I think the average age of residents of long-term care facilities is over 85; certainly in our own facility it's well over that. Therefore, we're looking to find out about their life experiences, how their life experiences have formed their current needs and how we can meet these needs. Essential to this picture is an understanding of their cultural background, their religious interests and needs. We want to know, for example, where someone was born, what their family experience is; how they came to this country, if they were immigrants, why they came to this country, what their immigrant experience was. We want to know how their culture was instrumental in their lives, what their education was, what organizations they have belonged to, have been active in, how their family has been involved in their community, what volunteer work they have done for their community, what education and cultural involvement their families had, their children, their other siblings etc.

Our own assessment of applicants takes at least two pages, two pages of single-typed text, just to describe the life experience of the individual, with particular reference to his or her cultural and religious heritage and beliefs and life experience. This is really the guts of what it is to take care of someone in a long-term care facility. It is a place, hopefully, where people go to live, and not a place where people go to die. In order to enhance their lives and their life experience, we have to know something about that life. We have to know how to continue to provide quality for that life. So I welcome your question.

Mr O'Connor: You didn't address the part I had asked about, whether you'd participated in the consultation. As you know, this is a draft. If you haven't, perhaps we can share what you've said with the people preparing the next draft, because I think that's important.

Dr Greengarten: I have not personally participated.

Mr O'Connor: Has somebody from your facility had a chance—

Dr Greengarten: I believe not.

Mr O'Connor: Then I thank you for making this submission to the committee, because you've just added something that I'm sure our bureaucrats who are taking a look right now at the manual will find of interest, so we've certainly gained something by you coming today.

Dr Greengarten: Thank you.

The Chair: The last question, Mr White.

Mr White: I was impressed with your presentation; I'm sorry I didn't catch it all.

I formerly worked in a home for the aged in Durham region, and although I wasn't employed by the home—I was the only person who had an office there who was not. I have been continually impressed with the quality of care, the quality of respect for the individuals there that isn't universal in all long-term care facilities, to put it gently.

The concern that many people have in facilities, such as the one I came from and where I was just last week again, is, how do we preserve this quality of care in a larger environment? Baycrest, of course, is famous for not only the quality of care and the sensitivity you've spoken of, but also for being, frankly, very innovative in the care for the aged and in the care for the aged in the Jewish community. Those are very serious concerns. How do we maintain that, when it seems as if our perch may be eroded?

I want to commend you for taking the time to make this very careful presentation and hope that you keep up with it.

Dr Greengarten: Thank you.

The Chair: Thank you very much for your submission. I believe you indicated that your organization would also be sending along a printed document later this month.

Dr Greengarten: That is correct, yes.

The Chair: We look forward to that as well, but thank you again for coming to the committee.

Just before rising, I remind committee members that we will be resuming at 6:30 sharp. We have four presentations this evening. We are adjourned until 6:30 sharp.

The committee recessed at 1714.

EVENING SITTING

The committee resumed at 1835.

The Chair: I would like to call this evening's session of the standing committee on social development to order. We are meeting to review Bill 101, An Act to amend certain Acts concerning Long Term Care.

WHITE LIGHT HOSPICE FOUNDATION

The Chair: Our first witness this evening will be representatives from the White Light Hospice Foundation. We want to welcome you to the committee, particularly for coming this evening. We've had a large number from the Metropolitan Toronto area, and in order to really try to accommodate everybody we're including some evening sittings, so we hope that hasn't been too much of an inconvenience for you. We welcome you to the committee. We have a half-hour, and if you'd be good enough to introduce yourselves for electronic Hansard, please go ahead.

Dr Geoffrey Norris: Thank you, Mr Chairman. My name is Geoff Norris. I am president of the White Light Hospice Foundation. We do have some documentation which we've given to someone who is passing it out. I'll be referring to this documentation which might help you to follow my presentation. Do you all have that documentation?

The Chair: Yes, we do.

Dr Norris: Before I continue, I'd like to introduce the team representing the White Light Hospice tonight. With me are Shirley Henry, chairperson of the foundation and of the board; Anne Norris, who is the founder of the foundation and occupies the position of vice-chair; and Mirabel Palmer-Elliott. Mirabel is executive director of the foundation. Mirabel is a very important person. She's the only person on the foundation who receives a salary and she does an enormous amount of work for a very small amount of money. No one else is paid, but we've all put in literally thousands of hours into pursuing the topics we'll be discussing tonight.

What I want to do, and I'm turning to page 2 of your documentation, is to first make a few introductory remarks about the White Light Hospice and tell you why we think we are well qualified to address you on certain topics. We'll then make some definitions, common words that are sometimes misunderstood. I'll then turn to Bill 101 and tell you why we think palliative care and hospices should be included in Bill 101 in a rather explicit way. We'll identify gaps in the system. Since the aged are a target group of Bill 101, I want to bring in the situation regarding cancer and aging. There's a very close link. I'll then turn to certain special topics regarding women as care givers, the single-person dwellings and the needs of certain ethnic minorities. This will lead on to a discussion of consumer choice and, perhaps the best bit of all for you people, the financial implications, which are not horrendous.

There's not much time. I plan to spend approximately 15 minutes discussing this, which should leave plenty of time for us to try and answer any questions you might have when I've finished. Is that acceptable?

The Chair: Yes, that's fine.

Dr Norris: Turning to page 3, I'd just like to introduce what the White Light Hospice Foundation is all about. It's embodied in our mission statement: "The White Light Hospice Foundation is dedicated to the alleviation of suffering in all its aspects in terminally ill cancer patients, to maintain the quality of life in its final stages and to better prepare the patient for death in a tranquil, dignified and humane setting."

We've been a volunteer, non-profit organization for several years. The purposes of our foundation were set out in our letters patent, which not only provided us the means to provide services for palliative care for the terminally ill and to operate a hospice, but also to undertake research—we've done lots of that—to promote public awareness and to educate the public in the needs of the dying, outside a hospital environment, consistent with their social and cultural habits. It's in this latter regard that we're here tonight to make a plea in this regard.

Palliative care has been used many time except explicitly in Bill 101, although I'm quite aware that in the debates the matter of palliative care has been raised by members from all sides of the Legislature. Palliative care is defined by the World Health Organization. This was defined also in your Hansard records, and I want to read just parts of this definition which are important to understand.

Palliative care is the "active total care of patients at a time when their disease is no longer responsive to curative treatment and when control of pain and other symptoms of physiological, social and spiritual problems is paramount. The overall goal of palliative care is the highest possible quality of life for the patient and the family." It affirms that dying is a normal process. I think it's important to understand at this point—and you can read the rest—that this is an affirmation of the quality of life. We're dealing with the living. It's absolutely important to understand that. Palliative care is a means of dealing with the living to enhance the quality of life.

From that let's turn to page 5, which covers the meaning of "hospice." It's a word that has several meanings. They're all related, but they're all distinct.

Firstly, it is commonly used as a synonym of palliative care, much along the lines that I just read in the previous item.

Secondly—and it's important in these two subsequent meetings to understand the difference—"hospice" can refer to an organization or an activity devoted to delivering palliative care within the community, and of course that's an important point, to patients living at home, assisted by family and friends or volunteers. I will try and qualify this, when I refer to that type of hospice, as a community hospice.

Thirdly, and this is the definition or meaning that is of most interest to us at the White Light Hospice Foundation, it's a freestanding facility staffed by professionals assisted by volunteers, is distinct from a hospital and is dedicated to delivering palliative care to the terminally ill and their family in a home-like environment, but not, significantly, the home. We refer to this as an inpatient hospice.

Sometimes it's called a freestanding hospice and sometimes, if we really want to put the point home, it's a freestanding inpatient hospice. Bear those three meanings in mind.

I'm on page 6 now. Let me turn to Bill 101. I've spent many hours reading it and it has made me very thankful that I'm not an MPP. To read statutes as a living I think is something you deserve every possible respect for. But Bill 101, once I figured it out, seemed to have as a target the elderly, among other groups, and this is one of our principal concerns. The elderly, in our view, must be explicitly, and I emphasize explicitly, assured of the following: that in the gobbledgook of the statutes specified classes or levels of care, services, programs and goods in the approved institutions addressed in Bill 101 must include palliative care. Specifically, we must introduce and bring in the concept and real usage of inpatient hospice care, which I will elaborate on in a minute.

Secondly, long-term care in the various approved institutions must include a sensible and identifiable interface with chronic care on the one hand and palliative care on the other if such must prove necessary. At last count that I read, there was something like 70,000-odd beds in the the sector of nursing homes, charitable homes, municipal homes and homes for the aged in the province. Let's face it, a heck of a lot of people are using those beds to die in. There's no doubt about it. We all know many of our aging friends and relatives who die in these homes. Sometimes that's just fine. Sometimes they need something special, and this is where we need to explicitly identify the interface where long-term care moves into maybe chronic care and/or into palliative care.

I think the sponsors of the original document of long-term care spread across three ministries. That underlines the fact that we are dealing with a situation that is somewhat blurred in terms of the normal administrative lines. We can't neatly package it as health care or long-term care or care for seniors. We have to note that there is this spectrum we're dealing with.

Finally, with regard to Bill 101, I think we've got to point out that any future bed closures in hospitals—and I know this isn't directly related to Bill 101, but it's going on and we've got to address it—have got to be closely coordinated with the development of alternative facilities and the knowledge that the community cannot deal with all palliative care in the home setting.

I'll get to this in a little more detail later on, but although dying at home and having volunteers to help and professionals from time to time is great, sometimes it just doesn't work. This is where the concept and the practice of an inpatient hospice is necessary, and I'll demonstrate a highly cost-effective development that we just really have got to look into more closely.

Let's have a look, on page 7, at the gaps in the system. It's clear, from the record of the debates I've read, that there are gaps in the continuum for long-term care through chronic care to palliative care. These have got to be identified in future planning, and they've got to be specifically addressed in the legislation. You've done as good a job as you can harmonizing these complex bills, but what is missing is the regulations, and this has come out very clearly in the debates. We're all waiting for the regulations. Maybe they're available now, but I certainly haven't seen them. They've got to specifically address the concept of palliative care and hospice care.

Another gap is that the users of palliative care are not confined to the elderly. I've been talking about the elderly, that's important to us, but cancer can strike any age group. The palliative care needs of people of all ages and their access to inpatient hospices and palliative care must be assured in care plans and their implementation.

There are also certain other diseases where people have a critical need for palliative care. I read a graphic account in Hansard of the second reading of Bill 101 regarding someone who was dealing with a relative or friend with motor neuron disease, which is another type of disease, among a few others, that could be handled in the hospice setting.

There are undoubtedly inadequate details available on the current government's policy on palliative care. The minister has made statements to the effect that a modest amount of money is going to be available for education in the field, and of course it's very good to have education in this field, but we've got to have more of a plan, that is: What are the goals? How are we going to get there? What's the mechanism? Not just some vague sort of statement like, "Yes, we'll look into this"; we've got to have something rather more specific.

Finally, as you all know, these items have been addressed by you and your colleagues in the various debates as published in Hansard.

Let me turn now to page 8 and the question regarding the link between cancer and aging. There is no doubt that the population is aging, that the demographic profile is changing. In the next 10 to 20 years, we're going to see a tremendous swing from middle-aged to old-aged people dominating the spectrum. In several instances, this has been included in the debates on Bill 101, of which I've given you one of several references.

There's no doubt that many forms of cancer show a higher incidence in the elderly. The chances of contracting cancer rise markedly in the 50-plus age group. If you care to look at the rather morbid statistics on deaths from cancer, you'll notice that in 1990-91 there was a marked increase in the number of men in the 60-plus age group dying from cancer and a few years later, on average, for the women. So the elderly are at a high risk of cancer, and they tend to die in that bracket.

We also know from our research that hospitals are registering significant increases in cancer admissions to acute care facilities, and many of these end up in terminal stages of the illness. One of the local hospitals reported a tenfold increase in the last 10 years in their admissions.

Perhaps the most horrifying thing of all is that in Toronto alone—and I emphasize Toronto because we know Toronto best, but it applies to the province—there's an average of almost one person per hour dying of cancer. That means by the time I get back to my car tonight to pick it up, if it's an average day and night, one more person will have died of cancer. This goes on 24 hours a day, 365 days of the year,

and it's going to get worse. It's not going to get better unless there's a major breakthrough.

So your urgent attention, our entire population's urgent attention, is required to address the palliative care needs of the terminally ill now, right now, and also in the immediate future as this elderly group, who are at a high risk of contracting and dying of cancer, expands.

1850

Let's look at a few special problems, starting on page 9. I'll address first the question of women as care givers. Traditionally, women have been providers of home care. It's always mom or the sister or the daughter who've been looked upon and called upon and effectively pressed into service to look after someone, starting off with just a mild thing like a dose of the flu, but very often people in the terminal stages. Who's looking after them? Women. Not often men—there are some very good exceptions to that—but very often women.

We all know women are moving outside the home to enter the workforce. They're becoming a very significant proportion of the workforce outside the home and their traditional role as care givers is an additional burden for them with the system, and sometimes it's an impossible burden. There's only so much any person can do in one day. They can't go off to work in the morning and come home at night—hopefully, the person during the day who is ill in the home has been looked after by someone—and then spend the evening and nights looking after them. Palliative care is a commitment 24 hours a day very often.

Of course, that brings up the whole question of care for the care giver. Who looks after the care giver when the traditional care giver is the only one left at home? As I pointed out, there is a linkage between women tending to live a little longer than men, and particularly not contracting cancer at quite the same stage, although I know it's a very complex topic and I certainly don't want you to think this is the final word on it.

In the case of the elderly, the sheer physical work of looking after someone in the terminal stages of a disease is simply impossible. It's heavy, heavy work; it's heartbreaking work and it will break the soul. You can't put this all on to the elderly to look after their elderly partner.

Finally, in this particular case, I would point out that if we could introduce inpatient hospices into the long-term care system, this would address many of these needs.

Now let's look at the situation of the single person. Single dwellings are on the increase. Statistics Canada has documented this in great detail and these people have special needs, just like everyone else, 24 hours a day when they're terminal. If they're on their own they've got an option: Go out and buy the services, but around-the-clock care from professionals in the home is available at a price which is beyond the reach of all but the wealthy. There's no doubt about it. You can get it and there are some extremely fine agencies that provide this care, but the average person just could not afford it. Again, we will point out that inpatient hospices would provide a cost-effective alternative for the terminally ill in this particular category.

Let's turn, on page 11, to the needs of the ethnic minorities. That's a complex issue. Ontario and much of Canada, particularly Toronto, is home to many ethnic minorities that have different values, cultures and traditions and we know that some of these do not accept care in the home for dying family members.

In parts of Toronto there are certain local hospitals that have acute care facilities which are overcrowded with terminal patients, many representing these groups, who would be better placed in an inpatient hospice if care in the home was inappropriate or impossible. Clearly, choices are necessary for all consumers.

I'd like you to look at page 12. This will take just a couple of minutes to explain, but I think it will explain in a way that will clarify our point to you.

This is a table showing the choices for patients in the community. I've arranged this table so there are three columns. The top row gives a brief description of various types of patients and the bottom row of boxes shows the the sort of streaming that can occur if we could set up a proper coordination team—or a placement coordinator, as has been referred to in Bill 101—to sort out the various choices and preferences of consumers in the field.

In the left-hand box at the top, this represents patients with homes and families that can accommodate them, and with friends and family participating in the care of someone who is entering a very serious illness. These could occur in small towns or cities. Very often they're wealthy areas and they tend to be people who want to be at home.

Then there's another group, and this is just a model. Bear this in mind: There's also shades of grey in between the black and white of models. This central group would be patients without home or family and friends who would be able to provide care. They would be people perhaps in single-person quarters, either in inner-city, small apartments or other inconvenient dwellings; perhaps in rural settings. They'd include elderly or people who do not want to be institutionalized. It's very important to realize that in surveys done, a very large portion of people who are in a situation of having terminal care do not want to be in a hospital when they die.

Then there are, contrariwise, people who maybe have houses but not enough support to stay at home after their disease has reached a certain point. These could be city dwellers or rural dwellers or people in the suburbs, but they'd be people who like the comfort of regulated care. Some people just like it. If they're going to be sick at all, they might as well be in a hospital, and they like the regulation.

We would see a coordination team—or a placement coordinator in the Bill 101 vernacular—perhaps working closely with the district health council, with which we're already in discussions on this issue, that would provide health care delivery with choices allowing for these ethnic, financial, spiritual and geographic preferences for both the patient and the patient's family. This would lead, at the bottom, to three streams. They're sort of models which are modalities, which give an idea of the sort of choices that we feel people in Ontario should have.

In the left-hand column, after diagnosis of the palliative state of the patient, some would naturally fit into a home care setting. They'd have the VON or the St Elizabeth

group to manage symptom control. Community hospice programs: Bear this in mind, those are the people who provide a service to link up in the community and the home with the family. They would look after these people in the home. Death would occur at home. If there were some complications, there very possibly will be a need to transfer the patient out of the home into an inpatient hospice or a hospital, as appropriate.

The central box represents those people who would initially live at home. They would have a preference, or a need as the case might be, to attend day hospice—this is a concept that I can explain later if you wish—but eventually would end up in an inpatient hospice; that is, it's a home away from home. The death would be in a homelike environment with the family participating in the care, but there would be a full complement of professionals to make sure that the proper needs of the patient were addressed. Very often they have very heavy nursing needs, physical needs, pharmacological needs.

Then, finally, the third model would be those people who prefer the comfort of regulated care. They could go to one of the existing palliative care units, and there are a number of very fine examples that exist in hospitals. Sometimes there's a separate unit; sometimes they're scattered beds throughout the hospital. But in any event, there would be pain teams and palliative care consulting teams that would assist the patient to die in hospital with excellent backup.

Finally, on page 13, I'd like to briefly outline to you the financial implications of bringing in an inpatient hospice. First of all—I've actually got the presentation slightly back-to-front—I'll start with the middle point on your page 13. Chronic care and acute care beds will continue to be used for terminally ill patients, overloading an already strained system in a quite inappropriate way. There's no doubt about it; if someone gets that sick, they're eventually going to end up in hospital if there is no other alternative. The alternative we want to see introduced is an inpatient hospice.

We've done some very detailed studies which I've no time to go into right now, and we've got some very talented people in our organization familiar with accounting and care practice in nursing homes and homes for the aged and so on, and we know that we can bring in an inpatient hospice at a cost of much less than $400 per day per bed. That is much less than half the cost of a bed in an active treatment hospital. Some active treatment hospitals run about $1,000 a day; some are rather more efficient and run at less. We can run a hospice bed at $400 a day, or probably closer to $300 a day.

That's the very good news, that we can actually save money and take the pressure off the hospitals. Remember, hospitals are shrinking. So next time you get sick you're going to have to fight a little harder to get a bed in a hospital, and sometimes the reason you can't get in quickly is because someone is occupying an active treatment bed and is dying, not being actively treated at all. It's in all our interests, because we all have a vested interest in death. It's not a thing to think about too long, but nevertheless we do.

1900

On page 14 are my summary and conclusions. What we want you to understand is that terminally ill patients must have choices. There must be a comprehensive government policy on palliative care. It's urgently needed. We want to see the plan, not just a few hints about what's going to happen. Palliative care should include delivery in inpatient hospice settings which provide a unique and much-needed complement to existing palliative care services in hospitals and in the community, and which would complete the continuum of services for long-term care.

I thank you for your time. I hope I didn't run over too much. I think there's a little time. If you wish to ask questions, I'm sure we'd be happy to try and address them, either Anne, Shirley or Mirabel.

The Chair: Thank you, Doctor. We do have some questions, so I turn first to Mr Wessenger.

Mr Wessenger: Thank you for your presentation. I'd like to know something about how you actually operate now with respect to, for instance, how many beds you have and what area you serve, how people get referred to you now. Lastly, do you offer any community services or just inpatient? Is there any coordination with the community hospice services?

Dr Norris: Shirley, would you like to answer that?

Ms Shirley Henry: At the moment, we don't have a building as such. We have been promised land on the main campus at Sunnybrook, and what we're hoping to do at the moment is raise funds to build a hospice and equip it so that we can service the community of the greater Metropolitan Toronto area. We will have a total of 30 beds, 28 for inpatients, two for respite care, and we would also operate a day hospice. That would be reaching into the community to meet the needs of some families that can look after their relatives at night but cannot manage to do it in the daytime because they have to go out and work.

Mrs Fawcett: Thank you very much for coming before us, because this whole issue around palliative care I think is quite a different concept than we are used to. I know my own mother, for instance, went to the hospital in 1973 to literally die of cancer. We were told by the doctor not to even say anything to her about it. I think back on all that horror now, and thank goodness we have moved forward from there.

I'm just wondering. You're right in that we're not sure what the ministry has decided and just what the plans are. I agree with you that they are urgently needed. Has your group, the White Light Hospice Foundation, been contacted or consulted to give some guidance, or do you know of groups that have been, so that at least we're on the right road or right track?

Mrs Anne Norris: I have a bit of a throat, so if you can't understand me I'll let someone take over. We've been consulted over time during the last four and a half years, since our inception, about how this would fit into the continuum of care, how it would fit into the budget and how it would fit into people's life in North America, because for North America this is a new concept.

On all those issues our studies have shown that it would be very well accepted by the public, be very well accepted by physicians, families and nurses etc. Financially, its implications are that once it's up and running, you're essentially running a large house. You're not running anything that needs a lot of sophisticated equipment. On the other hand, we would be able to take things like patients with catheters and IVs and so on and so forth which often preclude these patients going into nursing homes or homes for the aged or chronic care situations where palliative care has not been addressed in its entirety.

Both Shirley and I work at Princess Margaret Hospital, and many dying people cannot get into facilities that will take the IVs or the need for oxygen etc, and nursing homes and homes for the aged in chronic care situations will not take them. So we've seen patients die literally in active treatment beds because there is nowhere for them to go.

All of our studies have shown that we fit in very well in every respect. There is a time now, I think, to also get into the research and knowledge area and make palliative care the speciality that it is becoming elsewhere.

Mrs Fawcett: One other thing: I notice your brief didn't mention it and maybe I missed it, but the whole area of palliative care around AIDS patients, because many of them are not old. They have not come to the end of their life having spent a full life, for instance. I think they have to be treated maybe even a little differently emotionally. Have you been doing some research into that and how all of that, the emotions and so on, must become involved there?

Ms Henry: At the moment, our focus is strictly on cancer patients, because we already have Casey House in Metro Toronto. I understand that they are doing a lot of research for AIDS patients specifically, so that is the reason why we did not get into setting up anything for AIDS patients.

Mrs Fawcett: Thank you. Just one more, training: What sort of training is there available? Do you see a need for a different kind of training, because we're trying to create comfort for these people, not a magic cure?

Ms Henry: Yes. We are trying to create comfort. That takes knowledge, that takes skill and it takes a change in attitude, especially for people in North America. We have travelled extensively in Europe and Anne and I have attended courses at St Christopher's Hospice in London and conferences in Brussels. We've also gone to Paris and to Germany to look at how the hospice movement works over there. You definitely must have knowledge and skill to take care of dying cancer patients. We do not currently have enough knowledge and skills here in Canada, and specifically in Metro Toronto. We do need to have programs set up at local community colleges and also at universities to look into this matter.

Mrs Fawcett: It would be a job that someone could be trained in and have—

Ms Henry: Yes, absolutely.

Mr Cameron Jackson (Burlington South): Very briefly, prior to Christmas, the government made an announcement on palliative care. A certain amount of dollars were allocated. In my briefings with ministry staff, I raised questions with them. But of those dollars allocated, are you familiar with where that money is going and are you being plugged in? As I understand it, the predominance of the dollars is going towards staff development and it's being allocated through hospitals as opposed to the hospice movement, which generally, to put it in the context of these hearings, is deemed to be less of an institutionalized environment, from its corporate board, from its structure, from its ethos, from all those things which make the hospice movement unique and arm's length from a specific hospital. But it seems that the dollars are being allocated for training hospital-based personnel. Are you plugged into that, or did you wish to comment for the record about the fact that you're not?

Ms Henry: We are definitely not plugged into that and I think we should be. From my point of view, if you pardon me saying so, I understand that the government has a mental block when it comes around bricks and mortar. I don't believe that they are looking at other options that could be cost-effective. They just seem to have a mindset that bricks and mortar are going to be expensive, it's going to be another hospital, and "No way do we want that." I think they have to move one step beyond that and even look at what has happened in Europe, that it is possible to have bricks and mortar and at the same time be cost-effective and meet the needs of the community.

Mr Jackson: Finally, the point that I raised was whether, based on the dollars allocated, the government could indicate, through its OHIP records or through its own research, the ratio of dollars allocated for the specific training around cancer or around AIDS as a primary life-taker. They were unable to furnish any numbers in that regard. So hopefully the ministry will be able to come forward to give us some numbers on potential hospice patients in Ontario and tying it somehow to these funding dollars, because somehow it makes more sense that we'd have it targeted to where the need is or where the expertise is available in this province. It sounds like you're ready to begin and you're not even being asked to participate.

1910

Ms Henry: Right, we are ready to begin and I think our statistics are available. For example, in Metro Toronto, at Sunnybrook, I was told by one of their senior executives that at any one point in time 85% of their cancer patients require palliative care, and because of the restrictions—oxygen need, IV tubings, Foley catheters—they cannot be placed readily in existing palliative care units. A similar situation exists at Princess Margaret Hospital also.

Ms Carter: I'd like to thank you for your presentation. Personally, I certainly don't have any argument with it. I think there are many very good suggestions. I was a little bit puzzled: Could you tell us more about what you say on page 11, about ethnic groups who don't accept care in their homes for their dying family members? That's certainly a new one to me.

Mrs Norris: This is a quick answer, so I can do that without croaking. Particularly the Chinese population, which is very large in Metro Toronto, does not consider it lucky to have somebody die at home. So even though they

have huge numbers of family members who come to active treatment hospitals and stay in the rooms with the patients, sleep on the floor, bring the food, they won't ever take that person home. They do relieve the burden of nursing that person, because they take total care of them, just as they would if they were at home, and they're very dedicated, but they just will not take them home. That is also true not only in downtown Toronto, but a doctor in a Scarborough hospital has exactly the same problem. He can't free up his beds because the Chinese people will not take them home. That's one very definite ethnic group. Perhaps it's such a large group that it's necessary to address it.

Ms Carter: I see. That's interesting. As regards day hospice, would the person have to be ambulatory, or would he be transferred by ambulance, or how would that work?

Mrs Norris: In England, where I studied that particularly, they have volunteer drivers who pick the people up. Sometimes they have a family member who drops them off on the way to work and just picks them up in the evening. If they're able to ambulate a little bit during the day, they can walk in the grounds or talk to the doctors. They can become familiar with the in-patient setting, so that when their disease deems it's necessary to be an in-patient, they're very familiar with the surroundings. It also keeps them out of hospital waiting rooms, because they get their medication adjusted while they're at day hospice.

In some of them they have very good community plans. They have card games and things like that, or they help them cook the meal for the evening. They feel useful going to day hospice. It works very well in conjunction.

The Chair: Thank you. Before thanking you formally, just one question: Do you belong to—I believe there is an Ontario palliative care association or province-wide hospice association? Am I right on that?

Mrs Norris: Yes.

Ms Henry: It's the Community Hospice Association of Ontario. We are members of that organization, yes.

The Chair: Okay. On behalf of the committee, I want to thank you very much. We started our formal hearings today and this is the first one we've had specifically on the hospice palliative care area and it's been quite helpful. Again, thank you for coming down this evening.

Dr Norris: Thank you for the opportunity to present, and perhaps look forward to the regulations as they come about, perhaps having a second round, if necessary.

The Chair: We'll take that under advisement, as they say.

ONTARIO NURSING HOME ASSOCIATION

The Chair: I call upon our second deputation this evening, the representatives from the Ontario Nursing Home Association, if you would be good enough to come forward. Welcome to the committee. Get yourself settled. I might just indicate, we'll try to get some water at the table there to help out.

Mr Bill Dillane: Thank you.

The Chair: While we're a little bit after the scheduled starting time, I can assure you we'll have the full time period for your presentation, and if you'll be good enough just to introduce the members of your delegation for Hansard.

Mr Dillane: My name is Bill Dillane. I'm president and chairman of the board of the Ontario Nursing Home Association. I'm also an owner and operator of nursing homes here in Metro Toronto. I began my career in long-term care as an administrator in April 1972. It just happens to be the same time that the current extended health care program in Ontario was introduced.

With me this evening is Carla Peppler, who is director of resident care for the association and has been with the association over eight years. Last summer Carla served on the program standard focus group with the Ministry of Health and previously, under the Liberal government, the long-term care advisory committee.

Also with me is Brent Binions, who is vice-president and financial liaison on the board of directors and a past president of the board. This past summer Brent served on the Ministry of Health's funding focus group for long-term care reform. He's president of a family-owned company that operates nursing homes and retirement homes here in Ontario.

The Chair: I should add that it did a fine job in my riding.

Mr Dillane: The Ontario Nursing Home Association represents over 290 nursing homes providing care to over 28,000 seniors in Ontario. Membership is made up of both private and non-profit nursing homes and represents the single most significant impact of Bill 101, with over 30,000 residents of a total of 59,000 seniors in long-term care facilities throughout Ontario.

We're confident that the committee will no doubt hear from groups that will try to derail long-term care reform. The ONHA is not one of them. Our concerns pertain to certain portions of the bill and some omissions. We're pleased to have the opportunity to comment and hope our input will be taken seriously, since nursing homes care for over half of the persons in the long-term care system. This and two previous governments have tried to reform long-term care. Any further delay would be intolerable. Long-term care in Ontario has been promised and promised for January 1, 1993.

Many of you may know that in 1987 the ONHA launched a lawsuit against the provincial government on the grounds of discrimination and inequitable treatment of residents in nursing homes as compared to residents in municipal homes for the aged. The court found no discrimination under the Charter of Rights and Freedoms. However, they did find that the system, and I quote Justice Holland, "was illogical and unfair." Justice Holland went on to urge the province to move swiftly to rectify the problem back in 1988. We're pleased that the government has attempted to develop a more consistent set of rules and more equitable treatment for seniors in long-term care facilities in Ontario with Bill 101.

We have a number of concerns which I'm sure you'll have an opportunity to read in detail in our brief. Let me highlight a few.

Moving from the insurance model to a contractual model has a very serious public policy ramification. Bill 101 moves to put long-term care facilities—nursing homes, charitable homes and municipal homes for the aged—into a contractual agreement model. This means that potentially no longer will there be a universal, accessible approach to health care in long-term care facilities, that the program will no longer be an insured service under OHIP in Ontario. The bill avoids any government responsibility to fund nursing homes or long-term care facilities generally equally in order to provide the same level of services to everyone across the province. The government could treat many of these facilities differently and has, through this legislation, provided a vehicle for program funds in some facilities while not doing the same in others.

Each year the service agreements must be renewed. The government is under no obligation under this act to fund the level of care required by residents or to continue to fund programs if it chooses to change the agreement. There is no arbitration or appeal mechanism in the service agreement that we're aware of, so homes will simply be subject to the government's whim regarding policy and programming, regardless of its ability to fund these services adequately or to even fund them at all. The government must be held accountable to maintain equitable and consistent services in all long-term care facilities throughout Ontario.

The service agreements have not been made available to long-term care facilities or, to our knowledge, to the committee for review. There's no accountability for the government to provide funds to meet the requirements under the service agreements.

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The ONHA is concerned that the legislation focuses on paper processes and not on outcomes of care. Delivering care to residents is far more important than filling out paperwork, and an overemphasis on paperwork obviously reduces the amount of resources available to provide direct resident care.

The legislation should not require facilities to provide all services as defined in the care plan unless the government assumes responsibility for funding these services.

With regard to access to long-term care facilities and the role of placement coordinators, we would recommend that existing resources be used for the placement coordination function, that a new level of bureaucracy not be created for this purpose.

Many placement decisions are made on evenings and weekends. Therefore, it is essential that this service be available to seniors throughout Ontario 24 hours a day, seven days a week. As well, the placement coordinator must be required to take into consideration the applicant's choice with respect to ethnic, linguistic, geographic and religious preferences. Applicants must have an appeal mechanism with respect to placement, not just eligibility. This mechanism must be accessible in a timely and efficient manner.

The government's health review board, according to the OMA, has a two-year backlog, which is totally unacceptable. Bear in mind that the average length of stay in a long-term care facility in Ontario is just slightly longer than two years.

Matching residents' needs to facility services, the other aspect or side of resident placement: Many administrators and directors of nursing go to great lengths to ensure that applicants are placed appropriately within the facility for specific programs or services, such as Alzheimer's units or levels of care that are coordinated within the home down to such details as a most appropriate match for the personality and characteristics of a roommate.

Obviously, facilities must also have an appeal mechanism to question the placement recommendations when a facility believes that it cannot meet the care needs of an applicant properly or safely.

With respect to inspection versus consultation, the Woods Gordon report of 1986, commissioned by the government, examined the effects of an enforcement approach versus a consultative approach to compliance monitoring with the Nursing Homes Act. The report stated that the adversarial climate between the inspection branch and nursing homes was detrimental to solving problems, that the Ministry of Health, with its scarce resources—and that certainly hasn't expanded in the meantime since 1986—was unable to focus its efforts on the issues of greatest importance, the resident health and safety. In fact, the Ministry of Health has an existing compliance management program, developed as a result of that report, that has proven to be very effective in monitoring resident care services and programs.

As well, since the government has just recently passed Bill 74, the Advocacy Act, the ONHA questions whether the government has increased the power of inspectors. Surely the advocates were supposed to help improve communications and help unresolved issues and problems for residents. One would think that because of the new advocacy system there would even be less need and demand for inspectors.

It is recommended that the powers of the inspectors not be increased and that the use of the existing or an expanded compliance management program be continued. The association continues to support accountability for all aspects of care to both the government and the public on the part of all long-term care facilities in Ontario.

In respect to quality assurance, the association would expect that quality management and quality assurance records will be treated the same way as set out in section 27, paragraph 3 of the Advocacy Act. These records are for the facility's use to improve its services and not for use by inspectors to criticize the facility's delivery of care.

Inspectors should not be entitled to have access to the personnel record of staff or to the record or part of a record dealing with the quality review activities, peer review or performance review activities or quality improvement programs in the facility.

In summary, the bill leaves too many issues to regulations. It provides too much power for government and inspectors without requiring a corresponding measure of accountability. The bill holds facilities accountable for providing all resident needs without ensuring that funding will be provided to make this possible.

The process of long-term care reform is a two-step process. We are entering the first step, which is the enabling legislation, a bridge to the new long-term care act in the future. It strikes us that the government is attempting to cover all aspects of long-term care reform in step one. We would respectfully request that most serious consideration be given to simplifying the process at this time so that the bill may move forward.

The bill must go forward. Please end the discrimination and begin to treat equitably the now more than 30,000 residents in nursing homes in Ontario, most of whom are a different 30,000 residents than in 1988, when Justice Holland made his recommendation. The majority of those residents are dead.

The ONHA is prepared to work with government and with others in a partnership to make this process of reform successful. We have already initiated meetings with other associations to coordinate our efforts and to maximize the use of the limited resources that are available. I'm sure all of you share with me the importance of the responsibility that we all have to make long-term care reform work if not for our parents, then at least for ourselves. Thank you very much, Mr Chairman.

The Chair: Thank you very much. I know we'll have a number of questions, so we'll get to that right away. Mrs Sullivan.

Mrs Sullivan: I'm thinking that I'm going to need one of these facilities sooner rather than later.

I'm interested in a couple of things that you've raised in your brief and as a result of some of the interventions of previous presenters today. I think that the ministry has indicated that it will provide us with some additional documentation that you will find of interest. One of them is a clarification of the role of the placement coordinator, and indeed the opportunity for choice of the resident in terms of the selection of a home.

Our view was that the bill certainly provides no indication that there would be choice but that it would be the option of the placement coordinator. The ministry has indicated that was not the policy intent and so we've asked it to, frankly, come forward with some more material and we will want to share that with you.

The other aspect we have not explored as much but which has been raised relates to the appeal process and particularly the right to refuse to enter a home based on any number of reasons, which may be personal. Some of them may be religious. They may be because of a desire to enter a facility that accommodates a cultural emphasis or for other reasons. The apparent response from the Ministry of Health is that those situations will be accommodated. We will wait to see the document to see if we're going to be satisfied on those issues.

The other area that the ministry indicated it would respond to was the entire question of whether the right words were used in terms of quality assurance programs. In my view, it was probably an error in drafting, but I think that the parliamentary assistant to the Ministry of Health did explore that earlier. In fact I thought we had a promise of an amendment but we'll see.

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The area that I do want to talk to you about is with respect to funding. First of all, even with the new funding formulas, we will see a continuance of a difference between funding for private sector operated facilities and those in the non-profit sector in areas such as pay equity. I'd like to hear a comment on that and ask if there are other areas where there may indeed be that difference, or if you have heard that that may not be a matter on the table.

The other question relates to the efficacy of the annual review. Is an annual review an appropriate time, given that the care needs of the residents may change more quickly, so that your service requirements as a provider may also change, but you may not have the funding to alter those provisions?

So those are two things. I wanted to concentrate specifically on the funding. We have had, as you know, presentations from both the non-profit and the commercial sectors at this point, and those are areas that I'd really like to hear from this organization about.

Mr Brent Binions: If I could, on the pay equity issue, at the present time the government has a policy that it is prepared to fund pay equity adjustments for not-for-profit facilities but not for the private nursing homes. We do have some not-for-profit nursing homes. In the last year, seven of them received funding under the pay equity system—not significant funding. The total of the seven was $20,000 for the past year. So they do have an existing policy that says that pay equity will be funded on one side, but not on the other.

That places us clearly at a significant disadvantage. We did make a presentation to the committee sitting on pay equity and set out some of the unbelievable costs and the results of that. If you extrapolated the costs of the pay equity settlement in Toronto to nursing homes, our staffing would go from 2.25 hours of care a day, with the same funding, down to 1.38 hours of care a day, something which we simply couldn't survive on—our residents couldn't survive on. If they don't fund our costs, we won't have any care. That's very clear and we've made that presentation on the pay equity side.

Another area of inequity within the funding system is that the homes for the aged, at least on the municipal side, will still have access to the municipal tax base. Even if we ended up getting up exactly the same funding to begin with, they could access the tax base, to which we contribute funds, to increase the funding to their homes to provide a higher level of services if they so chose. That's something we simply don't have access to.

Mr Dillane: With regard to the second issue, on the case mix index and assessment of residents across Ontario, I think our greater concern there is actually being able to understand what that case mix index is going to reveal at this time. Government studies before have indicated that the care needs of seniors in homes for the aged and charitable nursing homes are really indistinguishable; they're the same. There are certainly variances between the average amount of care that's required.

I think one of the practical problems right now is being able to complete the study. The assessments were done last September and October and the index hasn't been done across the province or the study completed.

Mrs Sullivan: Could I interrupt here? For those areas where the CMI has been done, have you had access to any of the classifications that have been done in your own?

Mr Dillane: Not at this date. I understand that there have been some operational or functional problems in being able to complete the index averaging for across the province. There are some other options that would allow the government to do it more frequently. Certainly the Ministry of Health has indicated to us that the average waiting from facility to facility will not change that significantly over a 12-month period, but, quite frankly, we haven't had an opportunity to work with the process, to understand whether that is the case or not.

The more important issue, I think, with regard to the case mix index is to understand that it's a self-indexing mechanism, that it doesn't address the specific needs of an individual resident in any facility. It simply weights the average of the facility and the residents' care requirements in that facility against other facilities in Ontario and distributes the funds equitably between facilities.

Ms Carla Peppler: If I can add to that, the classification system proposed is for nursing and personal care only, and it's proposed right now to be an annual assessment. We certainly have problems with the use of the tool itself for a number of reasons, but one of the big issues for us is that resident health care status can change dramatically over a short period of time. So you could have a situation where the classifiers come in and the home gives the impression of being light-care, and something happens and a lot of residents die, unfortunately. New residents come in who are very heavy-care, which would change the look of the home, and there is no appeal mechanism for homes to go back to the ministry and say, "We have a new case mix here and we need more nursing and personal care staff to care for those needs." So that's an issue.

Certainly, in New York state they have twice as many residents as we do in Ontario. They do classifications twice yearly for just this reason, and they have the staff of facilities complete the classification and then the inspectors come in and spot-check to make sure that it's done appropriately and cheating isn't taking place, that kind of thing.

Mrs Sullivan: Do we have more time? I can't believe it.

Mrs Fawcett: Could I just interject here, just on the classification?

The Chair: You just lost your time.

Mrs Fawcett: I'll be really fast. I was told that once the classification had been done, the government was really surprised at the results when they were all tallied, that the number of heavy-care people was just horrendous and naturally was going to cost a lot more. I heard that this was one of the reasons why now there's been sort of a hold on getting those results out, because they don't know what to do now that they've discovered there are more heavy-care people than they had ever anticipated. So I don't know.

Mr Dillane: It begs the obvious question of deciding just what kind of care we want to provide to seniors in Ontario. If there are only so many dollars to go around, no matter how equitable the system, you have to decide what level of service you want. I think obviously in these times of limited provincial resources, having set an expectation in the public's eye that we are going to be providing more services has created an almost impossible situation for the actual providers of care, whether it's the individual staff or the facilities. So somewhere between the Cadillac vision of the future and the Volkswagen services of the 1960s we've got to reconcile this one, and the time is now. We've been promised it for a long time; further delay because it isn't the perfect case mix index and waiting for the perfect case mix index is not the solution.

Mrs Fawcett: I agree.

Mrs Sullivan: Do I still have more time?

The Chair: You can have one more question.

Mrs Sullivan: That's great. I am really concerned that the chronic care role study is not available before we are moving into the first step of long-term care reform with this bill, in that there is some indication that the intention of the government is to phase out chronic care facilities. That would have an enormous impact on the kinds of care requirements that nursing homes and homes for the aged are expected to provide, with no concomitant increase in community-based services for those people who require lighter care. What do you see as the impact and the problem in not having that chronic care role study?

Mr Binions: The impact is a little bit difficult to judge at the present time. There are about 18 chronic care facilities in the province. If they were to phase out the definition of chronic care, my understanding is that they would probably turn those facilities into long-term care facilities; so they wouldn't lose the beds.

They're currently funded, on average, close to $200 a day. That's a great deal of money that's still in the system, unless the government intends to yank that money out of the health care system. That would be a real concern to us. If the money is to stay in the system and be distributed on a more equitable level of care, then maybe the system can work. But our concern is that the intention may well be to move them down to our level and take the money out of the system, when in fact the system is crying out for an injection of funds to be able to increase the quality of care and the level of care that we can provide right across the system. Without having any knowledge of what they're doing with the chronic care system, and not integrating into this, it really leaves a gap.

Mrs Sullivan: Perhaps once again, Mr Chairman, I could ask the parliamentary assistant to the Minister of Health if we could have a policy statement from the minister with respect to intentions about chronic care.

Mr Wessenger: So noted.

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Mr Jackson: Just on that point, I found interesting your reference to the chronic care facilities. Do you know of a chronic care facility that's been asked to reclassify as

part of a redevelopment plan and hasn't been told it should reduce its total complement of beds? Can you point me to one facility?

Mr Binions: Probably the classic example of a facility that's currently negotiating with the government with respect to readjusting its whole style, rebuilding and adjusting, is the Perley Hospital.

Mr Jackson: But everybody's downsizing. In the process of reclassification, in gaining badly needed redevelopment moneys, there is always the codicil, "But your total bed classification will come down."

Mr Binions: To my knowledge, there are only two chronic cares that embarked on this readjusting themselves, downsizing, changing their funding mechanisms at the present time.

Mr Jackson: Correct, but we still don't know of a facility that's working with the government along the line you just mentioned, where the government hasn't said, "But if you reduce your total number of beds, we'll sit down and talk turkey." That's the point I'm trying to demonstrate.

Mr Binions: Yes, that's correct.

Mr Jackson: No matter what classification of bed you look at in this province, whether it's a chronic care bed, whether it's a nursing home bed, a home-for-the-aged bed, they're all in reduction.

Mr Binions: Yes.

Mr Jackson: So when you talk about the complications in the care level, the growing acuity rate, in fact you're talking about beds being reduced at a time when those who are currently in them are getting sicker and sicker.

Mr Dillane: I think the issue that this really gets to is the number of beds per thousand population of seniors over the age of 65, or a more critical indicator is the number of beds per population of seniors in Ontario over 85. That already has dropped dramatically since 1972, when the government introduced the extended health care program; if I recall from memory, a drop of some 40% in the last 20 years on the number of beds per thousand.

Again, we are entering into long-term care reform. There's no commitment to expand the number of long-term care beds.

Mr Jackson: Precisely.

Mr Dillane: If there is not a commitment, then the accessibility of those beds will continue to drop as addressed by each individual senior in Ontario.

Mr Jackson: It gives concern to the notion that it would be so nice that a senior, five years from now, will have the option of being offered four different bed locations. My experience currently is that we're damn lucky if we've got one we can direct them to.

I'm combining three of your recommendations in the limited time I know the Chair will advise me of in a moment. Several of your recommendations centre on your lack of trust, that you must go on blind faith and proceed with the future vision, as put forward by this government, and at virtually every level, the component where you get to charge for the service is completely in the control of the government to set that rate. We're not talking your rent and your taxes—and that's siphoned off; that's one of the three boxes you can basically control—but the care levels are where you're going to get hurt real bad. Forgive the offensive word, but the levels of profit are completely determined by your ability to provide the care levels and not be required to provide care levels beyond your ability to pay. That's the subjective area we're dealing with.

Mr Dillane: Well—

Mr Jackson: Let me finish, because you're going to have a good run at this, I can tell.

The second element is that you don't have any say in who gets sent to you, so in this environment, again, of shrinking numbers of beds and growing acuity rates, you could be the home for the Alzheimer's residents. You could get a whole group of those people or people with dementia, people who are violent. You could get those and have no say in that whatsoever.

Frankly, the track record of placement coordination agencies that are run at the municipal or regional level has been a sort of preference—or let me put it another way—a non-preference for the private sector. It's not as though you've been dealt with as a sector, the private sector, very fairly when it comes to allocation of day care spaces or home care services. Currently, it's rife with discrimination at that point of who gets sent to where. I'd like you to respond to those questions a little more directly, even though I believe your brief hits the points very squarely.

Ms Peppler: One of the concerns with not having the results of the chronic care role study is basically exactly what you're saying. We've heard rumours that the study says 80% of residents' care requirements are similar to nursing homes and homes for the aged. There are 20% of residents who do have more technical nursing requirements. They have IVs and respirators, that kind of thing.

One of the reasons why we've insisted on having an appeal mechanism for placement, like you've talked about, is that not every home can care for an IV. A nurse as a nurse is not a nurse. And you can't expect a nurse to be competent in, say, IV therapy when she gets one IV for one week once a year. It's for reasons like that the homes have to be able to say no.

One of the big gaps in the system that our residents really need help with is psychogeriatric care, like you talked about. The mental health system doesn't want it. In fact, they're closing down psychogeriatric beds. The chronic care hospitals in the past haven't wanted it, and we're hoping it's a role they might take on, but it's a real problem for us. We have increasing incidents of aggression and difficult behaviours to manage.

Acute rehab would be another need and respirology and neurology, that kind of thing.

Mr Jackson: Do you have recommendations specifically? You have identified your concerns and you've recommended what we not do or re-evaluate what we're about to do. Do you have any hard language of amendments to table with the committee now or before we complete clause-by-clause?

Mr Dillane: Let me just go back to one other point just for greater clarification.

Mr Jackson: As long as you get back to this one too, that'll be fine.

Mr Dillane: Okay, and I'll follow into that one.

The Chair: Then I'm afraid we're going to have to move on.

Mr Jackson: I was afraid of that too.

Mr Dillane: But we can address this issue, can we?

The Chair: Yes.

Mr Dillane: Thank you.

The issue of envelopes in profit or non-profit is one that is indeed being addressed by the government. In fact the government is making an initiative to remove the profit motive from the care component. So the ability for a facility to stay in business—in fact this even applies to charitable and non-profit nursing homes in Ontario, one of which has already gone into receivership—is the amount of funds that are available under the accommodation portion. The government has simply said that for whatever program funding is provided for direct nursing services and special programs, the facility is accountable to spend, and so be it. We have no argument with that. Obviously, there has to be an appropriate amount of funds in the accommodation portion to cover taxes and other administrative and operating expenses.

The concern is not so much with profitability in the care component, because it really is going to be a fairly simple issue. If there aren't enough dollars in the accommodation portion, homes won't be able to provide the service.

The concern I think you meant to speak to and I'd like to speak to is the lack of control. If a facility consistently admits and is referred to admit and is forced to admit heavier and heavier care residents but is given the same amount of money or just an economic adjustment off that same amount of money, year over year, the quality of care, the ability to meet real needs will create a gap that expands and will create a service problem to seniors.

We can all speculate where that will end, but sooner or later we'll have the classic case of someone suing a facility and the Ontario government because they didn't put the program together properly. Indeed, it's possible, if the program isn't structured, the facility would be in non-compliance from day one of its service agreement.

The other issue, the legal language: We would've liked to have had an opportunity to be able to assist in redrafting, but given the limited time between the passage of the bill and the setting of these meetings, we're not prepared at this time to have specific amendments that you could take forward, but we would be pleased to work with government, with this committee and other groups to be able to make this a successful bill.

Quite frankly, I think the focus should be on changing the funding model, on improving the accountability but leaving every aspect of long-term care reform to another step and not trying to cover it all at this time.

Mr White: I was very impressed with your presentation and I want to thank you for coming forth.

There are a few points I want to discuss briefly. The issue, if I'm not too quick in summarizing, is that you're feeling very, very positive that there's a move going forward in terms of reform of the long-term care system. You're seeing, as representatives of nursing homes, the opportunity to be part of an overall system, to be treated on a much more equal footing than has ever been the case, but you still have some concerns.

Mr Dillane: Correct.

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Mr White: Some of them I hear as being very similar to the concerns that have been ongoing for a long time, issues about how care is negotiated, how levels of care are negotiated, when you have residents whose needs are far greater than you can accommodate at the moment.

With the mechanisms you've discussed, much of your concern is, how equitable will the negotiations be when we talk about the costs of this service? Are we going to have this dumped on us and are we going to end up at a loss? Is that more or less correct?

Mr Binions: Are we going to end up being able to deliver the level of care that society now expects of us? That's our question. If the funds aren't provided within the envelopes—within the nursing envelope, within the program envelope—to provide what society expects us to provide, the level of expectations that have been created by this bill out there, then we will not be able to do the job you expect us to do and it will just be another vicious circle, and we're not doing the proper job again. Our concern is that the funds aren't there to allow us to do what's expected of us.

Mr Dillane: There's a lack of detail at this time to give you any further specific insight into whether we think the system is going to be any more equitable or not. It certainly is moving in that direction in principle, but in terms of the practical implementation, there's not enough information available at this time.

Mr White: Sure, it's just a bill at this point. We don't have regulations. We don't have a system in place. You're feeling positive about it, but it's not resolved. You were also saying you don't have a problem with the delivery of care services at cost, basically.

Mr Dillane: Correct.

Mr White: That's a very important distinction. But you do have some concerns about the way it's negotiated and also with the inspection mechanisms at present.

Mr Dillane: Not at present. Certainly at present we have a compliance management program. What the bill is suggesting is that substantially increased powers be provided to inspectors. I respectfully suggest there's no evidence that there is a requirement for that today in nursing homes or indeed in charitable or homes for the aged, and that with the increased accountability through this new system and the service agreements, there is no need for increased inspectors. Quite frankly, we doubt the government has the resources to pay for more inspectors.

Referring back to the Woods Gordon study, I think there is excellent advice and direction provided there and that's what should be followed.

The Chair: Mr O'Connor, last questions.

Mr O'Connor: You've raised a number of different issues. I'm assuming, and I hope I'm correct, that you've

been consulted in the development of the manual that's out there right now, and I hope you continue that.

I know that in what you've said here, you've got a problem with the appeal mechanism for the service agreement. I was wondering if you might like to elaborate on that and perhaps explain and share with the committee, areas you think might be able to enhance that so there is an appeal mechanism. I know we're striving now for a level of accountability that I'm sure is going to enhance, not only the service but the profile of an organization like yours. Perhaps you can share with the committee some thoughts you might have on the appeal mechanism.

Mr Dillane: Two points: One is that we have been a participant, along with the Ontario Association of Non-Profit Homes and Services for Seniors, Concerned Friends and the Ontario Association of Residents Councils, throughout the summer. But much of that work is not reflected in this legislation. Indeed, much of the work focused on a consultative process, on an expanded compliance management program, which is given very little attention in the amendments represented in Bill 101; in fact, a movement to a much more adversarial rather than consultative process.

In terms of an appeal mechanism, it would only make sense in this day and age, with a tendency for many people in society to rely on the courts to resolve issues, that in any service agreement or contractual agreement there is some appeal mechanism or arbitration process that would facilitate an expedient and inexpensive resolution to disagreements or clarifications of the terms of the agreement. At this time, we have seen no draft or documentation of any kind of appeal or arbitration clause.

Mr O'Connor: I realize that but what I'm asking then is, if you had your chance to go up to a blackboard and put down what you think might be an appropriate mechanism, what would you like to write on that blackboard?

Mr Dillane: Binding arbitration from a third-party arbitrator.

Mr O'Connor: One thing you did mention there, in answer to some of what I said, was the investigation, again with a compliance management program. I know that earlier today we heard from a committee, and I believe it was hospital unions that were before us, and of course they reminded us of the Provincial Auditor's report of 1990, saying that right now the ministry isn't doing as much as it should be and is not reviewing, other than a visit for the annual inspection renewal. I know that an organization such as yourselves would like to see that in presenting to your clients and to the broader public. You want to respect the accountability aspect of it. How do you think we could improve that?

Mr Dillane: I think there are a number of options that we have. Certainly, it speaks to the issue of how you judge quality of care. One of the difficulties we have as a society is agreeing on what the ruler is—quite frankly, where the ruler even is at all in this country—when it comes to the provision of health care services.

When you focus it down to long-term care services, there's already a tremendous inequity between the annual reviews that take place in nursing homes, and the amount of time and detail that is spent on those, versus a facility covered under the charitable homes act or the municipal homes for the aged act. There needs to be consistency for seniors in Ontario to be able to have a system that is applied equitably across the province for all long-term care facilities, independent of ownership or registration.

The other aspect is that there are some other systems that would complement the process of reviewing the quality of services and programs, but I think the government and health care facilities would be well counselled in working together on improving. The Canadian Council on Health Facilities Accreditation, which accredits hospitals and long-term care facilities across Canada, has developed a specific guideline for long-term care facilities. Over 95% of nursing homes in Ontario are accredited, and that's a voluntary program that nursing homes have participated in. So there are a number of ways that we can move ahead.

I think the other thing the government would be well advised to do, and certainly it would be of benefit to seniors, is if we moved towards developing the ruler so that the ruler isn't just applied to long-term facilities, because a good part of long-term care reform is also additional dollars for community-based programs. Quite frankly, if it's an important aspect of quality of care to measure and it's important in a facility, it's also important in the home of an individual who is receiving home care services.

It has to be a cooperative effort. I think a different approach has to be taken than in the Highway Traffic Act, where someone comes in and decides to police, on a snapshot basis, whether or not the facility is in compliance on a given day.

The Chair: Thank you very much. We could, I think, go on for quite a while yet, but we appreciate both your presentation and also the fulsome answers to a number of questions that all members have had.

Just in closing I note that, as I think you're aware, the committee will be meeting through into March, so if there are subsequently any particular points that you wish to bring to our attention, please do so through the clerk of the committee.

Mr Dillane: Our very sincere thanks for your time.

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ONTARIO HOME HEALTH CARE PROVIDERS' ASSOCIATION

The Chair: I would now call the representatives of the Ontario Home Health Care Providers' Association and the Nightingale Nursing Registry. If we need more chairs, we'll find them. No, it looks like we're okay on chairs. Welcome to the committee. If you would be good enough to introduce yourselves for Hansard, then please go ahead with your presentation. We have received two documents for each member of the committee.

Ms Judith Bishop: Thank you, Mr Chairman and members of the Legislature, for inviting us here tonight. My name is Judith Bishop. I am the president of the Ontario Home Health Care Providers' Association. I'm also the president of Med+Care and a registered nurse. I would also like to introduce David Gooch, who is the vice-president of our association and the president of Community

Homemakers; Sally Mark, the owner of Nightingale Nursing Registry and a member of our Association; and Steve Haas, vice-president of Para-Med Health Services and a director of our association.

I have provided you with a brief. I will not be reading from the brief. More importantly, I will be providing highlights of that brief.

The Ontario Home Health Care Providers' Association represents the commercial home care agencies in Ontario. I'd like to give you a very quick profile of our association and our members in the industry so that you will be familiar with who we are and what exactly we do.

Our members operate 115 offices in the province of Ontario, both in urban and rural locations, and provide currently approximately nine million hours of homemaking services to approximately 100,000 residents of Ontario. Close to one half of the publicly funded homemaking services in the province are being provided by our member organizations. As well, for about one half of our members' businesses, and in some cases higher, publicly funded home care represents all of their business.

Most of our agencies are Canadian-owned companies. We provide the services. I think it's important for you to know that our services are provided, for the most part, at the same cost as not-for-profit organizations, and in some cases lower.

We currently employ over 20,000 nurses, homemakers and health care aides in the province of Ontario, most of whom are women, many of whom are visible minorities and half of whom are working part-time to supplement other incomes or in order to be able to maintain a home life and have flexible hours of employment. Most of our management staff are also women, and many of these women are also owners as well as registered nurses.

We have followed very closely this government's long-term care redirection. The central thrust of this redirection has been very crucial to us, because it is a mandate to maintain people in their own homes for as long as possible through expanded community-based health care rather than have them cared for in a health care facility. We strongly have supported this redirection, and not just for self-interested reasons but because our experience has shown us the efficacy of care at home for as long as possible.

Now that we have the very first piece of legislation dealing with long-term care in front of us, that thrust is confirmed in the draft legislation, Bill 101. Bill 101 would control entry to long-term care facilities by giving authority to placement coordinators who would determine the eligibility and the appropriateness of long-term care. Consumers would be required to prove that they could not get enough care or the right care through their community agencies before being placed in a facility.

Controlling access to facility care is based on the premise that there will be more care in the community, but as yet there are no plans and funding to expand community care to the extent—and I emphasize "to the extent"—that would be necessary to make home care available as a true alternative to facility care.

In that light, we think the committee should be made aware that this government wishes to virtually eliminate commercial agencies from the provision of publicly funded home care. We were very surprised to learn that recently, because it's been totally contradictory for this government to declare its aim to expand community-based care, where obviously home care plays a very vital role and a major role, but at the same time to remove almost one half of all the providers of community care. It doesn't make sense.

The government wishes to enforce a not-for-profit preference by directing all new business to not-for-profit providers. No legislation or regulation will be required, not even Bill 101. It can be done by simply not giving us referrals or by directing services to the private sector. This will force many companies into bankruptcy and may ultimately lead to larger and more diversified Canadian companies shifting their investments out of Ontario.

I think it's very important for the legislators to understand that there are many other impacts that would result from closing off opportunities for publicly funded home care being referred to the private sector: dislocation and loss of jobs at a time of high unemployment and for those who can least afford it; loss of choice for consumers; increased cost to the taxpayers, as the deficits of not-for-profit agencies have historically been covered by the provincial government; and the elimination of benchmarks in performance in the home care sector could well result in lower efficiency.

On that last point, it may interest you to know that in the commercial agencies, share of the market has increased in recent years because we have remained very flexible, very responsive and very efficient and have been able to meet the service demands which other agencies or not-for-profits could not at the time: for example, providing 24-hour service seven days a week, providing two-hour shifts when no one else would do that and when it was determined that it was much more cost-effective and more people could be served with less money.

We have lived, over the last 20 years, with previous governments with a preference for not-for-profit. We understood that; we recognized that we were the second call. When the non-profit agencies were unable to deliver the care, we realized that we were called second. We could live with that, but we simply could not live with no calls.

The association believes that the delivery of home care can be improved. Most importantly right now, it seems to be most extremely critical, when all moves—and the right moves—are being made to deinstitutionalize, to maintain people in their own homes, that we need more solutions.

We also feel it is extremely important—and we're very committed to this—that the quality and standards of home care have to be put in place first. We are working, and have been for the last 18 months, with our non-profit colleagues, and I say that most sincerely, in developing standards for home care in this province. We are doing that also in conjunction with the national association of home care, not in isolation. We feel it is extremely important to be able to participate with non-profit providers and with government in looking at the current project on reimbursement. There are problems with the current reimbursement

of home care programs and home care services, and we are involved in participating.

We are also participating with the government project on training for workers, and we encourage and support this project.

With regard to standards, there is a section in Bill 101 that we would like to take an opportunity to point out and comment on. It's an amendment that would allow the Ministry of Community and Social Services to provide payments directly to disabled persons who wish to self-manage their funding and attendant services. We recognize this change is being initiated in assisting adults with disabilities. We support this totally: We believe in this and we applaud that ambition. Nevertheless, we would also like to point out that disabled persons self-managing their own care should receive care that meets provincial standards, and workers who provide that care should be protected against the loss of benefits like workers' compensation and unemployment insurance and such, and be provided ongoing training.

We're not necessarily providing a solution tonight, but are offering a suggestion that the committee recommend a framework for self-managed care that would include safeguards for both clients and workers.

In summary, the OHHCPA believes in a balanced home care system with a mix of both commercial agencies and not-for-profits. We've consulted as many people involved in policy development as possible to try to understand why the government would want to force our members out of publicly funded home care. Clients, particularly seniors, and home care programs have expressed their support to us, and more recently I think are expressing this to the ministry, that they believe in a pluralistic system, they believe in flexibility and, most importantly, they believe in choice.

The minister recently told the media that we're chasing shadows when we talk about this issue, but the Premier has recently corresponded with our employees, telling them, "Nothing we heard during the consultation indicated that we should change this direction," of not-for-profit preference. "This direction" refers to an earlier sentence where he said "a continued preference for not-for-profit" in the delivery of government-funded home care. The Premier went on to say, "We are now looking at how not-for-profit services can be put into place" over time. I interpret that to mean that there will be an elimination of the private sector from publicly funded home care.

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We urge the committee to look at Bill 101 in the total context of long-term care. If the thrust towards more community care is a good one—and we believe it is—then it's counterproductive and contradictory to remove one of the key players, one of the key solutions providing community care at a time when you're going to need all of us, even more of us than there are now. What is more important today is that we look at maintaining the viability of not-for-profit organizations, improving the standards of care, look at how we can provide better care for fewer dollars, and look not at dislocation of jobs in a recessionary time but at creating more jobs for all Ontarians.

I suggest, having worked as a nurse in community health care for the last 20 years in this province, that if this system is to move forward—we're to go back to the bureaucratic days when there weren't choices, there wasn't flexibility. I ask the committee to look at what's happening in other provinces. Why are they now looking at having a pluralistic system again, after having tried the other? I thank you for allowing us here tonight, and I hope you have some questions. We would be pleased to answer them.

The Chair: I'm sure there will be questions. We'll begin with Mr Jackson.

Mr Jackson: First of all, let me commend you for your brief. I must say, it is the position of my caucus that were we called upon to draft this legislation, the concerns you raise wouldn't be there. We have unequivocally stated that we don't have the difficulties with working directly with you and sharing with you the outcomes of a healthier, safer Ontario for our seniors. Perhaps as this bill gets implemented, two or three years down the road we may have opportunities, with a change of government, to see the direction change.

But I feel that I must share with you—I personally know of the services in my community. Para-Med is very active in my community. Unfortunately, it's not active enough, because the local regional government and the placement coordinating services discourage the use of the service. That's unfortunate, because there are some service gaps as a result of adopting that kind of attitude.

Frankly, your concerns are valid. They're not concerns for your bottom line; they're concerns for your staff, who are all pleased that they're gainfully employed and that they're providing a good-quality, around-the-clock service. You have been asked to participate as an association in the discussions. Your brief referenced some of the comments by the Premier that give you cause for alarm. Can you share with the committee your level of participation with the ministry up to this point and what your feelings are about any of those discussions, which were separate from the province-wide consultation process, which was all done at public meetings.

Ms Bishop: The meetings we had after the consultation process—and I should quickly say that during the consultation process, the issue of the not-for-profit preference was not clarified; it was not put to debate. So we initiated meetings at various levels of the Ministry of Health, starting with the assistant deputy minister, with the deputy minister and with the minister's assistants. During all of these meetings, although everyone was very quick to say that the minister had been very open in her preference for not-for-profit, they also stated very clearly that the minister was very pragmatic. I took that to be very encouraging, and I believe our association did. "Pragmatic" to me means that someone will look at all issues and, before making a decision, regardless or irrespective of ideology, will look at the current situation.

So some may criticize us for having been somewhat complacent in our aggressiveness, I guess, but what happened was that during the latter meetings with the Premier's assistant, a conversation took place when we

asked if this preference was going to mean an elimination of our sector from publicly funded: What did that mean? We asked if it was as a result of quality or inefficiencies, and we were told unequivocally no, it really had to do with the fact that this government does not believe that anyone should make a profit on human services. Where does one go from that? If you are striving to deliver quality, if you are efficient and all of those things, it just doesn't matter.

With that, I should also tell you that I have asked for, over the course of the last eight months, meetings with the minister, not necessarily to try and change her mind but more or less to talk about the dialogue that's going on. I think everyone should know this. Currently, right now in the province, we know that the not-for-profit sector has had a very difficult time in viability. A lot of that is for a number of reasons: the current reimbursement system; there has also been a decrease in the volume of business over the last year and we expected that there would be growth. However, all that has led to pressure on the government, and we understand that, to decrease the market share of the private sector to give more to the non-profits. A year ago, that might have been the solution. However, right now there is a resource group looking at reimbursement, and we believe some of that will be corrected.

We wanted to talk to the minister about these types of things and ask for a task force, ask for a delay in any implementation of a policy until other solutions could be found. Those meetings did not come forth. On the contrary, what I received were letters from Bob Rae telling me that he would be encouraging the minister to meet with me, and those meetings did not occur.

We wrote. You should all know, and you probably do know, that Mr Rae has received thousands of letters from employees who are worried about their jobs, and he has responded. I received a copy of a letter from him yesterday, where he has said that they are basically going ahead with the not-for-profit preference in implementation. That was as recent as two days ago.

Mr Jackson: Some of the material I have seen would indicate that you can provide the same level, without saying a better level, for fewer dollars and less overall cost. That's the part that attracts me as well, aside from being a free enterpriser; I don't make apologies for that. By the same token, government should be cost-efficient, which seems to have fallen in disrepute in ideological times.

We are underbedded. Both Ms Sullivan and I come from the same Halton region, and we have fewer beds per capita access for seniors and the chronically ill. So your type of service is critical, because it is a part of a system that assists us with that backlog and with those pressures. The economics of it all point to the fact that you're a system we shouldn't be hurting, that we should in fact be encouraging. But at least the government, from the financial sense of it, should not be trying to punish you; it should just say, "Don't grow, but we'll at least let you stay in the marketplace, because you are providing a quality service at less cost per unit."

I don't know what to say beyond the fact that we can only agree with you. We're very frustrated with the cost efficiency of it and the quality of your service, on behalf of your workers. We, frankly, are not a political party that thinks your workers are second-class citizens.

The Chair: Before moving on to the next questioner, I wanted to doublecheck: Is the other document which you've tabled with the committee for our record?

Ms Bishop: Yes, for your record.

The Chair: Fine, and you'll comment if, as and when.

Ms Bishop: Sure.

The Chair: Fine.

Mr Hope: Dealing with page 5 of your presentation, where you deal with self-managed care, this morning we had a presentation given to us by the Attendant Care Action Coalition. I'm trying to get clarification. You're saying that there ought to be provincial standards on that, dealing with self-managed care? If we're talking about the same issue, dealing with part IV of the Ministry of Community and Social Services Act, according to the coalition, which is talking about what attendant services are all about, it's just normal daily living.

They're coming to us and saying: "Don't change anything. Let it go ahead. I've graduated from a facility. I've moved into independent living and now I want to manage my own life." You're telling us, which they don't want, to be governed by a medical model. They want an independent living.

I'm just wondering: You've come before this committee with this indication and you talked about consultation. Did you consult with the independent living group, which is saying, "Don't make it the medical model; it's part of independent living"?

Ms Bishop: Let me clarify that, Mr Hope. We're not advocating a medical model. I should point out to you that many of our companies provide services now to the disabled, either directly or through existing agencies. I also sit on committees right now with the disabled and also with the task force on this. What we are saying is that we believe there should be standards for training for persons who are delivering types of care. If you believe very strongly that people who are providing care to our parents and our grandparents—then why not to our brothers and sisters or our friends who are disabled? We're just putting forward our recommendation to you.

The other point we are stating to you is this, and there's a background to this: Many times, we are the agencies that are called after a disabled person's providers or attendants are not able to provide the care. They've left, they've abandoned them and we have gone into situations where they have not been properly cared for. All we are advocating or putting forth to the committee is that you would want to look at standards of education wherever possible. In other words, if there's an opportunity to provide funding for training for attendant care workers, then they should be included as a worker for health and personal services in the province.

Mr Hope: But if you're talking about training dollars—I listened to the presentation very closely, because in Bill 43, in which we deal with the health professions regulation, and now this piece of legislation which is talking

about independent living—there is really no provincial training program they can put in place that tells how somebody should put his pants on in the morning, to help him go to the washroom. There's no training program for that. According to the independent group, the coalition says that it can train—it's just like you and me. You get your pants on every morning or your coat on every day, and that's all they're trying to do. They're trying to train people.

Ms Bishop: But Mr Hope, if you are a quadriplegic and you require intermittent catheterization or intertracheal suctioning, I suggest to you that you would want to have someone providing that care who has had some type of instruction or training. I will tell you that my colleagues who are providing attendant care now and there are disabled—I will say to you that there are groups that believe in a non-medical model and you can hire someone off the Toronto Star to provide that care, but that's not the issue that we're talking about. All we're asking is that you consider that training dollars be made available, that this group is not left without access to funding.

Mrs Sullivan: I appreciate the points you've made in both the briefs. We didn't have a chance to move particularly to the Nightingale Nursing Registry brief, but I think all the members of the committee will have an opportunity to look at it.

I just want to move back, because we had raised with the Minister of Health the question of the role of the private sector in long-term care, and she responded to us yesterday:

"With respect to the issue of the private sector and what is the future of the private sector, I think that I have been very clear in terms of a preference for not-for-profit delivery of services. I think as we look at health care changing and as we see more and more being done outside of the historical program of medicare which is based on principles in the Canada Health Act and which also has public administration as one of those principles, I think there is a consistency to seeing that as a preference for a model of delivery throughout the range of our delivery of services."

Ideologically, I think it's very clear that what you have heard in the past is what we are hearing now. The minister has moved from the Canada Health Act requirements for public administration of a medicare system to public delivery of a health care system, and clearly that is this government's priority. With luck, they won't be around long enough to implement it to the fullest extent. However, in the meantime there can be substantial changes made, and we have certainly seen, in the home care sector and in other sectors, fast change in a short period of time as a result of that ideological approach.

It seems to me that where there is an equivalency in standards, an equivalency in unit costs and a flexibility in delivery, the closest, most available service is the one that should be used. And there should be a balance. Indeed, with close to 50% of home care delivered through the private agencies, it is going to be very difficult to come up with the taxpayer dollars that will ultimately replace the private sector in that field.

I wanted, however, to move to the other point that you made with respect to an issue which I think is emerging—and I was very pleased to see it in your brief—and that relates to the unregulated worker who is delivering personal care, sometimes allied in the health care field, in a home care setting or in a community agency setting, no matter what. I think there is merit and I was very pleased to see your organization put that on the table.

The concerns I have had about accreditation or standards or codes of ethics and so on have come from consumers. I think it's useful for an association of providers to also be putting those issues on the table. I beg to differ very much with Mr Hope, who suggests that one doesn't need any training to help a person put on his trousers. If that person happens to be a multiple sclerosis patient, by example, who requires that assistance, that patient can be very badly injured without appropriate training in the appropriate way of moving that person. The training must be provided. If it isn't provided to an adequate standard now, then I think it's very useful that home care providers are bringing the issue to the table, just as consumers are. I was delighted to see that.

I don't have many other questions. I think you've raised the issues of the difficulty of the limitation on facilities and admittance to facilities creating greater pressure in the home care sector. In my community, home care is shrinking. The dollars have shrunk. While we have no facilities to put our people in, we don't have home care either and people are suffering. In my view, a lot of people in my area are at risk. We just don't want to get to that place around the province. I reiterate that every time I get to speak on this issue, because I hope it will get back to the Minister of Health's ears to have a look at Halton. We are in trouble there.

The Chair: The final thoughts.

Ms Bishop: I'd like to point out a couple of points. First of all, with respect to the training, any person who is providing care in the home should have a number of things. Obviously, consumers have to be protected, whether they're having service provision through an agency or whether they're self-managing. That's not only provincial, but we're working with our non-profit colleagues on this as well, and government. I don't think there's a debate from all the providers.

There's also one issue I'd like to point out that I missed in my brief, perhaps emphasizing two things. Number one, we also provide staff relief to nursing homes when their staff are ill. Although that is certainly not a large part of our business, providing staff relief to nursing homes and hospitals is a significant part of our business. That becomes extremely important, very crucial, when workers are ill.

The other point I'd like to raise—and I had this conversation with the assistant deputy minister last week—is how it's very likely in the future, as government dollars will not be able to meet the demands of our seniors, of our grandparents, in providing home care, that third-party insurers are going to be asked to provide coverage. Already we are providing care to seniors and to others and having multiple

funders. In other words, we're billing the government; we're billing insurance providers.

If we are eliminated from being publicly funded, it's not inconceivable that you would end up having a homemaker in the morning from one agency, where the funding is being provided through insurance, and another one in the afternoon. Ladies and gentlemen, that's called the two-tiered system and we're going to end up with that in Ontario. That's the way it was 20 years ago when I first started teaching home dialysis in this province. That's the way it used to be.

The system has gotten much better and there is certainly an opportunity for us to move ahead and work in partnership. There's room for a pluralistic system in the non-profit and private sectors in this province, living in equality.

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The Chair: Thank you very much for coming before the committee, for the two documents you've left with us and for the presentation this evening.

Mr Hope: Mr Chair, in asking legislative research for information, would it be appropriate to do it while you wait for the next deputants to come forward?

The Chair: Sure, that's fine.

Mr Hope: I'm wondering, Alison, what presentations were done on Bill 43 dealing with this issue about attendant care. I'm wondering if through Hansard you could pull up the information around this issue, because I think it's very important. We've dealt with this issue once before and I think it's important that we find out what was said during the Bill 43 process and now into this process. I would appreciate the information on this area.

The Chair: Fine.

Perhaps I could ask Mr Charles King, Muskoka Centre Friends, if he'd be good enough to come forward.

Mrs O'Neill: Mr Chairman, could I ask Alison as well to look at what the criteria are now for the attendant care? I think we should know more than just what's been said in committee. I think I'd like to know what the criteria are and what the limitations in capping and all of those other things are on that service.

Ms Alison Drummond: Okay.

Mrs O'Neill: Thank you.

MUSKOKA CENTRE FRIENDS

The Chair: Mr King, you should probably receive an award. I know you were here at the first presenter this morning. I thought at the very least I would note that as you begin at the end of the day. We're aware that you have sat through, I think, most of the testimony today. While you are the last presenter, I can assure you of the committee's undivided attention. Perhaps you would be good enough to introduce yourself and also the gentlemen with you.

Mr Charles King: I want to thank you for this opportunity to express our concerns. I would like to introduce Dr Alan Bruce-Robertson, who you've already heard from with the Huronia representation, and Reg Black, who is the past president of Muskoka Centre Friends up until a few months ago. At that time, his daughter was moved into a group home and I inherited his position.

I only inherited it because I figured, and I think I figured rightly, that I would be president for a very short period of time. Muskoka Centre is now down, I understand, to approximately 35 residents. Our own daughter is going to be placed in a group home shortly, so this may be the last you'll hear from Muskoka Centre.

Indeed, it's been a long day and I can't help but express words of praise to those members who have stuck it out up to this point. I hope you won't be disappointed in what I have to say. Actually, I fully expected I'd be talking to the wall at this hour.

I'm going to express the concerns of those who care about the wellbeing of the developmentally handicapped. It will be a repetition of the talks you have just listened to from Margaret Paproski and Janet Allingham. However, I think my story will be told in a little different way, so I shall commence.

I lived in the town of Whitby at a time when the population numbered 3,000, and the number of residents at Ontario Hospital matched that of the town. In those days, the citizens often quipped that some members of the town council should be replaced by inmates from the insane asylum.

I recall a story that went the rounds which bears repeating. One spring a resident of the hospital was sitting atop a cedar rail fence at a crossroad on the hospital farm property when a local farmer passed by, driving a team of horses pulling a wagon loaded with manure. The inmate called out to the farmer and asked him where he was taking the manure. The farmer replied that he was going to put it on his strawberries. The immediate response of the inmate was: "You must be crazy. We put cream on ours." Stories, like history, have a way of repeating themselves. To me, the inmate's reply makes sense. In my dissertation I will attempt to separate fact from fiction to hopefully discover why the multi-year plan is putting manure on the strawberries instead of cream.

My expertise on the care of the developmentally handicapped goes back 55 years when my parents admitted my mentally retarded sister, Ruth, to the facility in Cobourg. She spent the better part of her life there until she was transferred to D'Arcy Place shortly after it opened.

About 15 years ago, despite my disapproval, she was moved to a group home in Smiths Falls. One and a half months later she was sent back to D'Arcy Place with a report that she was unmanageable. A couple of months later the Ontario government of the time sent me a bill for $44,000. I didn't respond, and before the year ended they wiped out a trust fund in the amount of $34,000 that had been set up for her which was held by the public trustee. I have every reason to believe that the confiscation of her trust fund was deliberately engineered, because several years later I met people whose relatives' trusts were similarly confiscated.

Four years ago, my sister was moved to a well-operated group home in Port Hope. Since then, she has moved to two other group homes, and an application has been made for temporary accommodation in a home for the

aged in Cobourg until there is an apartment vacancy. At noon today I called home, and my sister had called, and she is now in an apartment on her own. She is 70 years of age and is on medication.

My wife and I have a Down syndrome child whom we had admitted to the facility in Orillia at the age of three. We were told by Dr Alan Brown at that time that it would be unfair to the other two children to keep her at home. We promptly applied for her admission. When we were told that we would have to wait for seven years, I appealed to a high-ranking government official for assistance, and his influence brought immediate results.

About 20 years ago we went to Orillia to visit her and discovered that she had been moved to Muskoka Centre without anyone notifying us. While in Orillia, Judy was an outgoing, happy child and a chatterbox. It wasn't until two years ago that some members of the staff were able to get her talking again.

Judy is now 43 years old. She suffers from arthritis and finds it painful to walk. Arrangements are under way to have her moved into a group home in Scarborough.

Fifteen years ago my doctor arranged for my admittance into the facility at Lakeshore. He had recognized that following a bout with pneumonia, it had triggered a chemical reaction, and I was labelled a manic-depressive. I have no recollection of being depressed, but I do remember being on an unusual high. While there, a woman doctor from Sri Lanka had me under her care. The normal medication for manic-depressives is lithium. She had had previous experience with situations similar to my own where she had used a herbal drug, resulting in full recovery. I owe my presence here today to this woman. I spent almost two months at Lakeshore, and my medication ceased the day I left. To this day, I am not on any medication. And now you know that I have also been on the inside looking out.

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It is an acknowledged fact that group homes were originally established to provide a temporary shelter for people who were judged to have the ability to become independent members of the community. Apparently, all three political parties are committed to a policy, which was established by a Conservative government 12 years ago, to phase out all institutional care of the developmentally handicapped and place them in group homes.

To me, it is inconceivable that any task force could gather up all the information available and, after weighing the pros and cons, come up with a policy to scrap a system of care that was built up over the years to be envied all around the globe—incidentally, this has been mentioned before, this afternoon—a system which brought teams of doctors and social workers from faraway places to study the methods of care, and replace it with an untried experiment of placing all patients, including those with multiple disabilities, in a permanent setting in a group home. It boggles the mind to acknowledge that anyone in his right mind can make a decision that there is only one cure for all diseases.

I have documented evidence from sources. In the state of Pennsylvania a five-year attempt to deinstitutionalize and opt for care in group homes has ended in utter havoc. Three quarters of the patients are out in the street. Many of them are into prostitution and drugs. The cries for help from relatives who are caring for developmentally handicapped people at home are being ignored. Institutions are being reinstated, and new ones are being built.

On a recent visit to Israel I had the opportunity to visit a privately endowed facility that accommodated 60 developmentally handicapped people, the majority of them with multiple disabilities. They were housed in several small buildings, and a variety of activities were in process. Jerusalem Elwyn is partially funded by the government of Israel. They also operate several group homes that accommodate up to 20 people in three major cities. Most of the residents are employed in businesses in the area, that is, from the group homes. It is interesting to note that institutional care is not being phased out, and that they are improving and expanding their present facilities.

The multi-year plan certainly has opened up a Pandora's box of problems, many of them unresolved, and I am amazed that some of them were not anticipated. This brings me to the point of asking questions, some of which you have already heard from the lips of other speakers, so I ask the members of the committee:

(1) Is there a trained task force in place that has authorization to monitor the operations of group homes? If there is, how swiftly can they act to rectify a problem after it has been discovered? If there is not a trained task force in place, how soon can one be mobilized?

What I have in mind is what is currently being discussed now in the province of Alberta, where three group homes are being closed. They were intended for the autistic. There was evidence years ago—not just yesterday, but a long time ago—that there was sexual harassment and all kinds of other things going on, so they're just beginning to investigate. Ladies and gentlemen, you're dealing with people. You're not dealing with cars.

(2) Do members of the committee realize how traumatic the uprooting can be when a patient is moved from a familiar environment of friends and other attachments to a strange new environment? Some will adjust, but for many, it will result in a setback.

(3) What documentary evidence can the ministry produce to prove their claim that the cost per person for care in a group home is less than the cost per person for care in an institution? Our federation has documentary evidence, and that was brought out today, that this statement is untrue.

(4) We have been repeatedly assured by the minister that all services will be in place before a patient is moved to a group home. The statement should have read, "Every effort will be made to have all services in place before a patient is moved into a group home." There is nothing more certain than death and taxes. There are any number of scenarios that are taking place at this very moment that put the minister's statement in the file of wishful thinking.

(5) The police are only permitted to apprehend someone if they are caught in the act of committing a felony or endangering the life of somebody else or their own life. Are any members of the standing committee aware of what happens to a developmentally handicapped person when they are apprehended by the police?

(6) What arrangements are in place to provide immediate accommodation for residents of a group home in the event of a fire, an unforeseen emergency or a forced closure of the home?

(7) Relatives of the developmentally handicapped are very concerned that because of escalating costs, government cutbacks, fewer and smaller donations from the public and corporations, plus other economic pressures, the standard of care in group homes will diminish. Well-trained, professional social workers cannot be expected to apply for jobs in a group home. These jobs are and will be filled by young, inexperienced people who will be satisfied to receive low rates of pay while gaining the experience. A large turnover of personnel can be expected as these people realize that there's no room for advancement within the framework of group homes. This situation adds to our concern for maintaining the standard of care. Do members of the standing committee have any suggestions to counteract this situation?

(8) The introduction of user fees is being discussed under advisement by all levels of government involved in health care and social services. We look upon the introduction of user fees not only as a way of raising funds outside of the realm of taxation but as a sure way of destroying the principles of universality that are now in place. Operators of group homes who will have to face the economic squeeze may be left with two bad choices: They can cut back on food and services or they can opt for user fees. The wellbeing of patients will suffer under both choices.

We are aware there are group homes that have asked for and are receiving substantial monthly contributions from relatives of residents. It is conceivable that these residents will receive more attention than those who cannot afford to contribute and those who have no relatives. It is also conceivable that some operators of group homes, upon learning that an applicant for admission could not or would not contribute—that the applicant could be turned down as admission could be denied for some other reason. Should the ministry discover that a group home is receiving funds from other sources, I am sure they would give consideration to cutting back on their grant. Have the members of the standing committee taken a good, long, hard look at this item of concern?

(9) Lastly, according to a recent report released by the ministry, there are 2,500 applicants in the metropolitan area of Toronto alone who are registered for assistance. By this time next year, the number will have increased to 3,500. All of these applicants are residing in their own homes. By what stretch of the imagination will the present multi-year plan be able to accommodate these people in group homes?

My closing remarks focus on my personal assessment of the problems that the standing committee on social development will be faced with in the days ahead.

If the committee is unable to come up with the answers to many of the questions I have asked, then I suggest that they look at the alternatives, which will place a tremendous burden on the taxpayer. Incidentally, I've heard very little about where the funds are coming from or questions about how we handle the financial end. That I fail to understand.

We will be seeing an ever-increasing number of developmentally handicapped people and people who are spaced out walking on our streets and in the plazas unattended.

Just as an aside, I had a few moments at noon and I went, for whatever reason, down to the Eaton Centre. While I was there, I sat on a bench and someone who was quite spaced out and mumbling to himself sat down in behind me within two minutes. Before I left, I was on the phone with my wife and talking to her and a man in a rather decrepit-looking condition—he wasn't drunk, but he was spaced out too—came running over to me and told me he loved me. I didn't give him the opportunity, and then he went off and he was hugging some other stranger. So you're going to have a lot more of that.

Many of them will become involved in crime, drugs and prostitution. Many more citizens will be approached for handouts and, out of frustration, the incidence of violent crime will escalate. A common scene will be many more people sleeping in the subways and on park benches. This is not an exaggeration. If you're not ready to accept it, look at what is happening in some of the American cities. It is not a pretty picture, but I hope it will put some urgency on finding satisfactory solutions.

2050

In anticipation of your question, "Anything we recommend will require more money. Where will it come from?" I toss this out as a suggestion, for what it's worth. I offer a simple solution that has been staring us in the face for years. Does anyone here remember the Irish Sweepstakes? Years ago, they were used to fund the hospitals in Ireland. What is wrong with a lottery called the Developmental Handicap? Designed along the lines of Lotto 649, it would generate millions of dollars. Design the lottery to provide a limit of $1 million down to $100 and divide the spoils among more winners than are presently in the Lotto 649.

In addition, each winner should be handed a tax-deductible receipt when he cashes in his winning tickets for an imposed 10% contribution to the developmentally handicapped fund. No one could possibly object to having a slice taken off the top of a bonanza that they didn't expect to receive, especially if it's going to a good cause.

I want to thank you for listening.

The Chair: Thank you very much for your presentation and, in particular, for the questions. We'll begin the questioning with Mr White.

Mr White: Mr King, I want to take issue with one of the things you bring up here, sir.

Mr King: Very good.

Mr White: I live in the town of Whitby and I represent that town. Right here, sir, you're talking about the Ontario Hospital at Whitby.

Mr King: Yes, sir.

Mr White: You're talking about the story about the chap sitting on the cedar rail fence.

Mr King: Yes, sir.

Mr White: I want to tell you for sure that there are no strawberry farms near that hospital.

Mr King: He was going the other way.

Mr White: He must have been.

These issues have been with us for a long time. I remember back 10 years ago, on the grounds of that very hospital there was a place called the Durham Centre—it looks just like the Muskoka Centre, the same kind of thing—and they were closing it down; the previous government to the previous government. This is going back a long time. They were closing it down and those very issues that you've brought up were being brought up then.

Mr King: That's right.

Mr White: They are very poignant issues. They are very, very difficult issues, especially for people like yourself when you're so concerned about your daughter and the proper care that's needed to take care of her and worried about, "Can that happen in the community?" when there are those kinds of waiting lists.

I want to commend you for coming forth, sir. I know that your local member has been working very hard on this issue with regard to the Muskoka Centre and the cutting back of beds there. I've certainly heard on many occasions from Dan that he has been working hard on that.

The concern I have a little bit here, you bring this up about the group homes. Have you checked with any of the group homes?

Mr King: Yes, I have.

Mr Waters: What was your impression of them?

Mr King: I'll start off by saying that no business is any better than the management, and you are going to have a wide variety of management. Some will be quite successful. My sister was in a group home and it was one of the finest I've ever seen, simply because they had a dedicated woman there, but I've seen some group homes that should be closed. It's from one extreme to the other. I'm not opposed to group homes.

Mr White: You're checking them for your daughter?

Mr King: I beg your pardon?

Mr White: When you check them out for your daughter, you're going to want to be sure that whatever home your daughter is in is going to be one that you feel comfortable with.

Mr King: Of course.

Mr White: Are you getting any help in doing that, sir?

Mr King: It hasn't taken place yet. An appointment is being made.

Mr White: But that's going to happen? You're going to have some help with that selection.

Mr King: Yes.

Mr White: Thank you very much.

Mr Hope: I was interested in reading your presentation, Mr King. One of the things I do want to touch on is that you indicated there is a community group in the community out there, a community living group. In your eyes, do you see them not performing the appropriate job that's needed?

Mr King: What are you talking about, volunteers?

Mr Hope: The community living groups that are working in our communities providing the deinstitutionalizing of people.

Mr Reg Black: The Association for Community Living.

Mr Hope: Yes, the Association for Community Living.

Mr King: My comment on that is that you're going to have a variation from one community to another. Some communities have services available, some don't; some never will have, they don't have the funding. You can't put everything in one bag and everything is related. There is a relationship. So that's a difficult question for anybody to answer.

Mr Hope: I notice you make a reference to your sister who is 70 years of age now and in an apartment.

Mr King: Yes.

Mr Hope: What services is she receiving? Is there a contract for a service agreement?

Mr King: It's called Access.

Mr Hope: Just help me out a bit; I don't know all the services.

Mr King: That's the name given.

Mr Black: It's sort of a group home association in the Port Hope area.

Mrs O'Neill: Your presentation is certainly different in that it's so very personal. I think it takes courage to relay difficulties that you have encountered and I think in many ways have overcome over a long period of time. I find the questions extremely useful. Do you feel you'd like to comment on any of those questions or do you just want to leave those with us?

Mr King: The purpose was to leave them with the committee. I hope they take time out to give some serious thought and address them and do something about them. This operation has been going on now for 12 years. Surely, somewhere somebody must have a handle on where we are going. Are you going to wait another 12 years? Are we going to be in the same position 12 years from now as we are today?

Mrs O'Neill: I hope not, but as you heard today, and we've brought forward I think several times, this whole area of individuals is not attended to in Bill 101.

Mr King: Yes.

Mrs O'Neill: That again, in my mind, has to create some kind of further anxiety, delay and avoidance of the issue. I feel your comments on group homes are extremely well placed. I think there is an extreme variety of care and levels of care in those homes. I like the questions you talk about that are very practical about group homes, and I think we did express earlier today our regrets that there is so very little tracking. I find that the communities have to absorb the responsibility for the group homes in many cases, and certainly in two instances in my own riding.

I wonder if you would break your rule and say a little bit about the police and developmentally disabled, simply because that's not an area we deal with. We've had an awful lot of discussion about policing this year in the

Legislature, but we have not had one intervention in this regard. If you could just break your rule on that one, that will be my only question.

Mr King: I made it my personal business to ask several policemen in different parts of the city, "What do you do in the circumstance where you have to apprehend somebody and you find out that they are mentally disturbed or they're in the classification of the developmentally handicapped?" They said just what I said here. They can't apprehend them unless they've committed a felony or they're harming themselves or they're threatening somebody else's life.

"Where do you take them?" was my next question. "Well, we have two choices. We can take them to a psychiatrist, in which case he can forcibly have them medicated. But he can only keep them for seven days and they're out in the street again, so it's a revolving process. Or we can send them to jail, and jail is no place for these people." Those are the two choices. That's all I know.

Mrs O'Neill: Thank you so much.

Mrs Fawcett: Thank you for appearing. I'm extremely interested, of course, in your story, because I represent Northumberland and am well aware of the facilities there. Certainly you go back the whole gamut and have a lot of knowledge of that whole system. I can't help but think that so often people who make decisions are making them from their own point of view rather than from the point of view of the best interests of the person needing the care and assistance.

You have such a tremendous amount of experience and knowledge. Your accurate assessment of outcomes is very well taken. I hope that we can find some answers to your questions and find the correct answers as we go through and make sure that, as the minister herself said, we do it right. But we are worried, certainly in our party, that it is going to be done right.

I hope that your sister is happy now in Port Hope and that she is getting the kind of care and quality of life she deserves.

If I could just even briefly mention, I guess that you have another interest maybe, in our Chair, in that you may have known his father at one time in your life. You may have gone to school with him.

Mr King: Yes.

Mrs Fawcett: That's a very interesting thing and I'm so happy that you have come.

Mr King: It goes a way back. If I might add, when we first institutionalized our child, I was well aware of Down syndrome. Some neighbours of ours had a child. They had the child at home and some years after they left the town and didn't know we had a Down syndrome child. That child was then about 30 or 40 years old. They showed me a picture that this child had just drawn that would be the kind of picture a three- or four-year-old would have drawn. I felt very sorry for them because they had lived their life in the hope that this child was going to amount to something and at the age of 30 they were boasting about the picture. Those two people died early in life; it just wore them out. So we made up our mind to put our child in a home at that time. But my contact with the system goes way back.

If I just might make one other comment, I also was down in Quebec City to see how the nuns handled the situation at that time. I have a page out of Dickens. Once you allow them to keep your child in the province of Quebec, it's no longer your child; it belongs to the church. I went inside and the first thing I saw were about a dozen five-year-old kids, filthy dirty, mopping up the floors. I didn't waste much time in asking any more. Now things may have changed, but I suggest that if any of you have an opportunity to see what goes on in some of the other cities in the States, you'll come back very proud of the system that did exist here with the institutional care.

The Chair: Thank you very much.

Mrs Fawcett: I think he should be seconded to the ministry to help as an expert in the field.

The Chair: Sorry, did you wish to make just a final comment?

Mr Black: Yes, I'd like to say that about a year ago—not quite a year ago—my daughter went out to a group home. It was one of the good placements, I'd say. As past president—Charles has taken over the reins and I'm not that much connected—I still do a certain amount of missionary work, you might call it, with the parents and the siblings of the residents. I've watched the downsizing of Muskoka Centre. As such, I am quite concerned about some of the elderly ones. This is a personal thing, because I know the parents made friends with them over the years. This is what Bill 101 was about, so I have a personal interest in this bill, as to what is going to happen to our people. Okay, that's all.

The Chair: Thank you very much. We appreciate your being here through most of the day.

Mr King: Thanks for your offer of a cot, but I just got so interested I didn't have time to use it.

The Chair: Good, okay. Thanks very much. The committee stands adjourned until 10 o'clock tomorrow morning in this room.

The committee adjourned at 2105.

STANDING COMMITTEE ON SOCIAL DEVELOPMENT

*__Chair / Président:__ Beer, Charles (York North/-Nord L)
__Vice-Chair / Vice-Président:__ Daigeler, Hans (Nepean L)
Drainville, Dennis (Victoria-Haliburton ND)
*Fawcett, Joan M. (Northumberland L)
Martin, Tony (Sault Ste Marie ND)
Mathyssen, Irene (Middlesex ND)
*O'Neill, Yvonne (Ottawa-Rideau L)
Owens, Stephen (Scarborough Centre ND)
*White, Drummond (Durham Centre ND)
Wilson, Gary (Kingston and The Islands/Kingston et Les Îles ND)
*Wilson, Jim (Simcoe West/-Ouest PC)
Witmer, Elizabeth (Waterloo North/-Nord PC)

*In attendance / présents

Substitutions present / Membres remplaçants présents:
Carter, Jenny (Peterborough ND) for Mrs Mathyssen
Hope, Randy R. (Chatham-Kent ND) for Mr Drainville
Jackson, Cameron (Burlington South/-Sud PC) for Mr Jim Wilson
Jamison, Norm (Norfolk ND) for Mr Gary Wilson
Marland, Margaret (Mississauga South/-Sud PC) for Mrs Witmer
O'Connor, Larry (Durham-York ND) for Mr Owens
Sullivan, Barbara (Halton Centre L) for Mr Daigeler
Wessenger, Paul (Simcoe Centre ND) for Mr Martin

Also taking part / Autres participants et participantes:
Laverty, Patrick, director, policy branch, long term care division, Ministry of Health and Ministry of Community and Social Services

Clerk / Greffier: Arnott, Douglas

Staff / Personnel: Drummond, Alison, research officer, Legislative Research Service

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Deuxième intersession, 35e législature

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Comité permanent des affaires sociales

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LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON SOCIAL DEVELOPMENT

Wednesday 3 February 1993

The committee met at 1007 in committee room 1.

LONG TERM CARE STATUTE
LAW AMENDMENT ACT, 1993
LOI DE 1993 MODIFIANT DES LOIS
EN CE QUI CONCERNE
LES SOINS DE LONGUE DURÉE

Consideration of Bill 101, An Act to amend certain Acts concerning Long Term Care / Loi modifiant certaines lois en ce qui concerne les soins de longue durée.

The Chair (Mr Charles Beer): I now call this session of the standing committee on social development to order. We are gathered again to consider Bill 101, An Act to amend certain Acts concerning Long Term Care. I guess this will be the first morning under the new Minister of Health as announced prior to the meeting beginning.

VICTORIAN ORDER OF NURSES,
DURHAM REGION BRANCH

The Chair: We have two deputations this morning, both from the Victorian Order of Nurses. We're going to begin with the VON from Durham region and then go on to the VON from Guelph, Wellington and Dufferin. We have representatives from Durham at the table. I want to welcome you to the committee. If you would introduce yourselves for Hansard, then please go ahead.

Ms Gloria Tuck: Good morning. It is a pleasure to be here today to make this presentation to the standing committee.

I am Gloria Tuck, president, board of directors, Victorian Order of Nurses, Durham region branch. Accompanying me today is Rick Howarth, Durham branch board member and constituent assembly representative for VON (Ontario), and Sheila David, the executive director.

The Durham branch of the Victorian Order of Nurses applauds the government for its movement towards amending certain acts concerning long-term care in Ontario. Bill 101 represents the first piece of reform legislation in long-term care.

The Victorian Order of Nurses of Canada is a national, not-for-profit, charitable, community-based organization that has been in existence for 95 years. In Durham region a branch in Whitby was started in 1914 and staffed by one nurse. Today the central office of the Victorian Order of Nurses, Durham branch, is located at 292 King Street West, in the city of Oshawa. There is a branch suboffice in Port Perry. There are 65 nursing staff, registered nurses and registered nursing assistants representing a diversity of experience and educational backgrounds.

The voluntary board of directors of Victorian Order of Nurses, Durham branch, represents a cross-section of the region and brings a variety of skills, expertise and community sensibility to the governing of the branch. The board holds fiscal responsibility and strategic planning roles. Regular opportunities are provided for the board and staff to participate in decision-making, consultation and planning.

Programs currently offered by the Victorian Order of Nurses, Durham branch, include visiting nursing, mental health nursing, foot care, enterostomal therapy, early obstetrical discharge, volunteer services and third-party consulting.

The Victorian Order of Nurses is committed to the philosophy that, "All Canadians have the right to comprehensive, coordinated and compassionate health care and that, whenever possible, care should be provided in the familiar surroundings of home."

To meet the challenge of the future, Victorian Order of Nurses, Durham branch, is developing new concepts for services delivery to accommodate the changing health care and wellness needs of the residents of Durham region.

The Victorian Order of Nurses, Durham branch, continues to expand its knowledge and scope of services through research, education and program development. It is from this base of information that we speak to the proposed legislation, Bill 101. The areas of concern that we will outline include system fragmentation, health care providers, quality versus inspection control, funding and community agencies.

Our primary concern with this proposed legislation is that it does not appear to fit with the reform agenda for health care as outlined by the Minister of Health in Goals and Strategic Priorities. Rick.

Mr Rick Howarth: Thank you, Gloria.

System fragmentation: This legislation stands alone and does not envision a fully integrated system of reform. Rather it fragments the long-term care system into sectors dealing with the nursing homes and homes for the aged, while completely ignoring the institutions and community agencies.

Fragmentation of the system must cease, and the integration of all facets of long-term care must be considered prior to the passing of any legislation. That is to say that this proposed legislation must not be dealt with in isolation. Provision has not been made for the development of a seamless system of care for the consumer. Such a system would allow the consumer to move from sector to sector, that is, community to institution to community again, with ease and comfort.

The consumer does not have the opportunity to access an integrated system of care to meet their short- or long-term needs in an innovative way, but rather to become entangled in a complicated system. Surely there must be an easier way for the citizens of this province to access the services they require.

The use of a comprehensive, multiservice coordinating body to ensure the appropriate allocation of services to the consumer is essential to the successful implementation of a long-term care system of service delivery in Ontario.

Therefore, recommendation 1 is that the legislation be reworked to include the entirety of the long-term care sector in its proposed changes so that all segments of long-term care are integrated.

Health care providers: The unique abilities of the registered nurse and registered nursing assistant in the delivery of care to the elderly population should be recognized and considered with the development of the new system. Education for the evolving role of health care providers, to meet the changing and growing needs of those in nursing homes and homes for the aged, will be required to ensure that needs are met.

The proposed changes do not appear to have any regard for nursing assessment based on outcome orientation. Use of the traditional medical model should be refocused to a wellness/prevention orientation, which includes participation by all health care professionals and consumers. The notion of consumer satisfaction has been omitted. It would appear that the intent of the legislation moves away from the proposed health and wellness model outlined in the Goals and Strategic Priorities of the Ministry of Health.

Nurses are clearly the providers of choice in a health and wellness model of care delivery congruent with the Ministry of Health direction. Therefore, recommendation 2 is the refocusing of the proposed legislation to be congruent with the health and wellness model, with a view to returning consumers to their optimum health.

Recommendation 3 is to provide education to meet the changing needs of the consumer using existing professional personnel, that is, registered nurses and registered nursing assistants.

Quality versus inspection control: History has demonstrated that control through inspection does not achieve the desired outcome but in fact increases deviant behaviour due to fear and uncertainty. Notions of inspection develop antagonistic relationships and do not foster partnerships. This system is being set up for inspection and punishment, that is, built-in enforcement to regulation versus continuous quality improvement and customer satisfaction. The proposed system is not incentive-based, but rather punitive with no use of total quality management or continuous quality improvement concepts.

Recommendation 4, therefore, is that prior to instituting an inspection control model, the use of quality improvement concepts must be addressed to ensure the highest standard of care for the consumer and highest satisfaction for all within the system. Gloria.

Ms Tuck: Funding: The level of payment based on consumer acuity is not an incentive for wellness but an incentive to increase illness. If this funding concept is instituted for the nursing homes and homes for the aged, then should we expect system-wide implementation? Are we paying for higher levels of care, for example, acuity, without regard for prevention and return to wellness?

Who will monitor the consumer needs versus the need of the home to increase revenues? Is there any assurance that consumer need will be the primary focus? Is there assurance that the incentive for wellness will be a priority for funding purposes?

Recommendation 5, therefore, is that funding formulas should be developed that will focus on consumer need and care provision, rather than solely on acuity.

Community agencies: Community needs have been overlooked in the development of the proposed legislation in terms of the individual needs of the consumers. Consideration should be given to geographic, demographic and cultural needs of the individual communities. The role of the agencies and homes to educate and inform the consumer regarding choices and options available to them in their individual communities should be incorporated into the regulations.

The Victorian Order of Nurses plays a pivotal role in delivery of service to the community. Integration of community services with the nursing homes and homes for the aged sector is critical to ensure the highest level of care provision for the consumer. Why should a consumer of the Victorian Order of Nurses be denied specialized service because he or she is admitted to a nursing home or home for the aged?

For example, in our branch we provide foot care and enterostomal therapy services to some consumers within Durham region. If one of these consumers is admitted to a nursing home or home for the aged, this service provision is at best interrupted and at worst discontinued. This results from the lack of a viable, integrated payment procedure as well as from the system fragmentation referred to earlier in this presentation. The proposed legislation continues to ignore this problem.

Recommendation 6, therefore, is that the proposed legislation must include a linkage of community agencies with the long-term care sector to ensure continuous service provision to consumers.

We would like to thank you for the opportunity to come before you today and we will be pleased to take your questions. The final page summarizes the six recommendations.

The Chair: Thank you very much for your presentation and also for the specifics of your recommendations. We'll begin the questioning with Mrs Sullivan.

Mrs Barbara Sullivan (Halton Centre): Thank you very much. I appreciate this brief. I must say I always find that when I receive material or hear from the VON, it's always a very thoughtful presentation and I think this is a useful one for everybody on the committee.

You are not the first group or organization to talk about the concern about the isolation of this particular piece of legislation from the long-term care strategy and policy, which is yet to be seen in full, and I like the words you use, the seamless system, to describe the continuum of care and the integration of a full long-term care philosophy.

I'm interested in your focus on the funding for levels of acuity in the nursing homes and homes for the aged. I assume that what you're doing there is providing a warning that it ought not to be an appropriate funding system for other elements in the long-term care system, that you're not objecting to levels of acuity in terms of funding for nursing homes and homes for the aged. Is that correct?

Ms Sheila David: The level-of-acuity payment system is at best increasing—the homes look at resources and

revenues. But for us in the community, if in fact the nursing homes are going to have levels-of-care payment, then perhaps we can be looking at that as well, because clearly we have different levels of acuity that we're taking care of. So if it's going to happen in the nursing homes, then one would always ask the question.

Mrs Sullivan: Have you proposed other funding methods to the ministry with respect to services that would lead to, say, a wellness program that is provided by the VON, as an alternative to an emphasis on the acuity levels, if you like?

Ms David: That would probably come from a VON (Ontario) perspective. We deal only in our own region.

1020

Mrs Sullivan: Okay. The other question I wanted to put to you—and I certainly see concern in my own community with respect to this—moves away from this bill, but you have included reference to service integration, which I think is going to be ultimately extremely important. Latterly, we have heard talk about the multiservice agency or the confluence of various agencies.

One of the things that's a matter of concern in my own area is the loss of historical identity of various organizations. The VON, the Red Cross, the Helping Hands organization, the home care organizations that have been providing services for many years have unique identities, independent volunteer boards usually, and very high community identification and trust. How are people in Durham feeling about the thought that maybe the VON won't be an identifiable body and will become anonymous in another organization?

Mr Howarth: I can't speak for every person in the region of Durham, but I can certainly speak for myself, having been involved with the Victorian Order of Nurses for several years. It is of grave concern to me that we don't lose our identity. I am sure that if you spoke to anyone involved with VON, they would agree 100% with that, and I would assume, therefore, that our clients and the families of our clients and consumers in the area would also be upset with that kind of situation occurring.

Mrs Sullivan: Have you had discussion at the local level about where the fit for VON would be in a multiservice agency?

Ms David: I think I can say for Durham region that we're having meetings with the district health council, not only VON but the other service agencies as well, and that we're not unlike any other region in the province in terms of trying to work that through. But I think there's clearly some innovation and creativity that can take place, and certainly the VON in Durham region has been there for 79 years and plans to stay.

Mrs Joan M. Fawcett (Northumberland): Just briefly, do you find that there really is a difference in the delivery of service in rural Ontario as opposed to the urban centres? Is there an increased cost to you because of increased transportation, those kinds of things? Do you feel the service is as good in rural Ontario right now?

Ms Tuck: Certainly the costs are there because of the travel. Durham region, in particular, is very large and there's a lot of travel connected. I think the service is very good, though.

Mrs Fawcett: But does it cut into what you can do, because the money has to be allocated to transportation? That's really what I meant.

Ms David: Just purely from an operations point of view, the cost of driving from our Port Perry base up to Beaverton adds significantly to the cost of that particular suboffice. It would not be that we would deny service, but certainly it's difficult to maintain all of the services that are required in the region when it is such a vast region, and we certainly are limited by the funding that we receive.

Mrs Margaret Marland (Mississauga South): I really would like to compliment you on this brief. Probably I'm going out on a limb, but I really think it's the most constructive brief we've received so far on Bill 101, because I think you've been very direct in your comments and your recommendations are very clear.

As someone who has been associated with the VON in Peel for the last 30 years on and off, I'm very familiar with VON, and I must say when you started out saying that you applauded the government, that surprised me. Frankly, that statement surprised me.

I think you're applauding the government for its movement, but then when you get into its movements, you're not so happy about its movements. So I think I'd like you to enlarge a little on some of the things you're saying. I'd like to give you that opportunity to enlarge a little. Cam?

Mr Cameron Jackson (Burlington South): It was a good joke, Margaret.

Mrs Marland: I know it was. I realized it was as soon as I said it, especially to the nursing profession.

Mr Jackson: It wasn't quite the four-letter word we were thinking of.

The Chair: Order, please.

Mrs Marland: Fortunately, I don't think in those terms.

I think the most important thing is that you've pointed out the conflict with another ministry, and unfortunately—this is my comment, not yours—we have seen a number of instances with this particular government where it seems like one ministry goes off on a tangent in conflict with another ministry and they don't seem to get together. I don't know what happens at the cabinet table, but maybe after today we might have less or we might have more of that kind of conflict. But I think it's important that you've made that point. In the long term, obviously sickness prevention is the thing that's going to get the health budget under control in this province and make health care affordable for everybody.

That brings me back to the fact that you're saying the proposed changes do not appear to have any regard for nursing assessment, which I think is one of the most important statements you make here. I think that's a pretty scary thought, because long-term care is dependent on medical assessment, and nursing assessment obviously is part of

that. So I wondered whether you'd like to elaborate a little more on that area.

Ms David: Our concern with the nursing assessment aspect is dealing with the issue of care plans and how in fact the care plans will be carried out, that there is not always a follow-through of what is written on a nursing care plan or written on a plan of care and what actually takes place, and that in fact there is not within the bill an incentive to increase the assessment skill or the level of assessment or the opportunities for assessment. That may come in regulation. We still have the opportunity through regulation to see some of that, but there is a concern that we're not going to see the adequate assessment that needs to be made. And if in fact the inspector group are the ones who are going to be carrying out the rules and regulations, if you will, then one would have to ask the question about the inspectors and who these inspectors would be and how they would be able to carry out their role.

Mrs Marland: I think that's a very important point: Who are the inspectors going to be? When we went into the rent control legislation we went through the same thing: Who are the people who are going to be making the decisions and are they qualified to make those decisions? When we're dealing with the health of individuals, it's such a specialized area that I think that's a very important consideration.

Our frustration, of course, is that, as with all legislation, it's always backed up somewhere in the back room with the regulations and we never get a chance to see the regulations or debate them. It's a tremendous frustration for those of us who are in opposition.

Mr Jackson: You make several points about the fact of the continuum of care and about all aspects of community-based health care and that they're not really integrated here. I think for people who are familiar with the field, we know that there are three aspects to long-term care reform, and this is just one of them. We're very much going on faith or we're accepting that the new frontier will be a model that we can work with in the other two elements of long-term care, which we're yet to see: how we deal with staffing and funding elements. All that is unclear to us.

But I want to revisit your point about getting a full sense of what's going on in long-term care in the community. I understand that VON in some jurisdictions is providing the home sharing program or is part of the pilot. Are you involved with home share at all in your jurisdiction? Is there a pilot such as home share working in Durham?

Ms David: Not that I'm aware of.

Mr Jackson: It's suggested that in fact they might. I guess one of my concerns is that if we're not looking at a medical model here and then we're not looking at accommodation and other aspects of it for how people live in the community, just how focused is this in terms of care delivery and ability to maintain one's life outside an institutional setting?

I'll reserve that line of questioning for when I know one organization that is involved with it is before us, and I know it's coming before us because the whole funding of that project is in jeopardy, but it ties in with the sharing of some of the interventions having supervision in the home, so that your periodic interventions have follow-up and reporting. It's an outstanding program and we can't get it off the pilot stage and into a full-blown program.

1030

Ms David: Just to add some light to that, when the next VON presentation takes place you may want to bring that question back, because they may be able to share some information with you that we don't have in Durham region.

Mr Jackson: We don't even know exactly what your DHC is doing and neither does the DHC in my jurisdiction whom I talked to last night, but do you have a sense of what the DHCs are actually looking at in terms of review of—help me with the wording here, because I can't even get the proper words out properly. The ministry has sort of asked them to look at a model; they don't want to call it a model, but it's a recommended approach. Are you involved in that discussion, and how intimately involved are you in that discussion? Because at this point, as legislators we want to get a sense of just how firmly you're plugged in and if you're progressing in that. That would be helpful because that's where you're actually involved in the long-term care process as opposed to coming before us here.

Ms David: The branch itself is represented around the DHC task force table. We also have representatives whose names have come forward for appointment to the district health council. In our area, the district health council is restructuring and is undergoing considerable change to meet not only the ministry needs but also our community needs. I'm feeling very positively about our district health council and the direction it's taking. In fact, next month at our board meeting for the branch they're coming to present how they feel they will be integrated into the system and how we can help them and they can help us.

Mr Jackson: That sounds very much like a top-down process. As I understand it, the minister asked the DHCs to begin now in a proactive way with developing a model for how the delivery system might work. Those words sound proactive to me. What I just heard from you was a process of the DHC coming and informing you. Are we that slow off the mark that they're now just coming to you to say, "Here's what we think we might do and we'd like your input"? I thought there was a formal committee struck to begin discussions.

Ms David: No. She hasn't funded them yet.

Mr Jackson: I understand she hasn't funded them yet, but that doesn't prevent DHCs from pulling together. In our jurisdiction—Barbara and I come from Halton region—they have one committee already in place, which is dealing with long-term care, chronic care needs, and it seems to be the appropriate framework for them to begin their discussions.

Ms David: I think I can say that—when I was talking about the restructuring within Durham region—the original committee structure has been disbanded in order to regroup committees, and one of those committees will be the long-term care/community care committee, and certainly we have been asked, as have some of the other providers,

ie, Red Cross and some of those groups, to come to that table. I don't think it's a particularly top-down direction in our region. In fact, to have the chair and the executive director of district health council come to one of our board meetings so that we can talk to them about the types of things that we do in VON is, I think, a very positive step. I see it as being very much a partnership and certainly a lot of collaboration.

Mr Jackson: Mr Chairman, could we ask the PA what time lines his ministry is giving DHCs in order to do this review?

The Chair: Could you please just repeat that again?

Mr Jackson: My question to Mr Wessenger was, what is the time line which your ministry is suggesting is appropriate for completing this discussion stage? I wasn't here when the minister may have responded to that question. Is this open-ended consultation, or do we have a fixed time—within a year, two years?

Mr Paul Wessenger (Simcoe Centre): I'm not aware of the actual time frame. I know it's proposed that the policy statement would come forward at the end of March now. Originally, it was supposed to be the end of January. Then, of course, with the new minister, I think that could change the time frames.

Mr Jackson: Okay. Thank you, Mr Chairman.

Mr Drummond White (Durham Centre): With respect to your last question, Mr Jackson, the local district health council has had a long-term care committee for some time. It was disbanded through restructuring. They have a new executive director. I think they're doing a very admirable job, as the presenters reflected, but they are in a state of some transition which has to do with their own internal workings as opposed to the ministry dictates.

I want to thank you for coming out and for doing an excellent presentation. It really was very enlightening and I think made us think. The issues you bring up—fragmentation of services and some of the concerns about a focus on wellness as opposed to the traditional medical model—are dead on.

As you know, this is only a part of the whole long-term care strategy, but do we have the cart before the horse when we deal with an issue that is the most susceptible to the traditional medical care language first? Do we then frame everything else in the same way as opposed to dealing with the coordination of services, the seamless web that you've talked about and of which your agency is an integral part? I also know that your agency has no fear of losing its identity in Durham region or anywhere else in the province. Whether you're involved with placement coordination services or any other forum, you know who you are and you're going to keep on doing it.

Although we're talking here primarily of the long-term care facilities—again, more residential facilities—you spoke with recommendation 6, which is a very appropriate one for this legislation, and you've put us to rights here. Granting that we've got the cart before the horse and we're dealing with the wrong thing first, let's talk about item 6. Let's talk about how you could be more involved with an elderly person, with a disabled person, even while he's in an institution. Talk about that seamless web, how you would see that happening in Durham with Extendicare, with Sunnycrest, with Hillsdale or Fairview Lodge.

Mr Larry O'Connor (Durham-York): Lakeview Manor.

Mr White: Lakeview Manor. Do you have any other facilities in your riding, Larry?

Mr O'Connor: I've got lots of nurses.

Ms David: I think the example we gave in the brief was specialized service. When we have a client who may be admitted to a nursing home, even for a short stay, our services cannot be continued because the payment schedule doesn't allow for that. What we're looking at is someone who may be admitted to a nursing home for something other than the service we provide, but we would like to be able to continue to provide our specialized service to that individual, but we can't because of the way in which the homes are structured.

In fact, we had an incident just the other day, a client who had a colostomy. We were doing some work with him to try and get some healing around the skin area that had broken down. The person was admitted to a nursing home, and when the enterostomal therapist tried to get into the nursing home to see this person, the therapist was told that there could be no service because it couldn't be paid for. If we wanted to do it we could come in and do it, but it couldn't be paid for because of the system that was in place in the nursing home.

This happened to be a long-term client of ours, a man, so we went in anyway and did the work, but the follow-up of that was that the providers within the nursing home didn't have the expertise to carry on the care either. So we were left with a client now in a nursing home who wasn't going to be receiving that particular specialized service.

The other program we are very active in is foot care. Certainly, if we could provide foot care to the residents of the nursing homes and homes for the aged, we might not have as many long-term problems with their feet as we do now. But we don't have that ability unless we enter into separate contracts, and the homes are indicating that they are really quite under the gun in terms of dollars and cents in funding so that they can't do that. It, in turn, becomes the client or consumer's responsibility to pay for that service when he is in a nursing home or home for the aged.

We also have the opportunity to teach some of the providers within the nursing homes to do the type of care that we do by being consultants to that care. That's something we're certainly looking at in Durham region, being able to teach the providers how to do foot care so that they can carry on that type of care. That's also something that's down the road, and who pays for that?

1040

Mr O'Connor: Could I put a supplementary in there, Mr Chair?

The Chair: Okay. We're getting a little close to the time of Ms Carter; if it's a very brief, pointed supplementary.

Mr O'Connor: Okay. The supplementary, if I might, would be, we're talking about a plan of care. How would

you perhaps see the role? I believe the Victorian Order of Nurses usually does develop a plan of care for its clients. How could you perhaps see some of that plan of care then being continued with a client who may move into a different type of facility, perhaps a long-term care facility or something?

Ms David: That's the issue, moving the person and his records and everything else—

Mr O'Connor: Their plan of care with them.

Ms David: —through the system and moving them right back, so that we're seeing this kind of activity as opposed to stopping, starting, starting again.

Mr O'Connor: Do you see a direct role then with yourselves as, say, placement coordinator or that continued type of care?

Ms David: Even with the actual home it would be advisable to have that kind of collaboration and partnership so that we're moving back and forth. Certainly, in our area we're also dealing with some of the area hospitals in trying to have some of our staff work with their staff so that there is a smooth transition for people, as opposed to getting lost in the system.

The Chair: The Chair notes how skillfully two questions were woven in there. Ms Carter.

Ms Jenny Carter (Peterborough): Maybe I can hang on to the same line of thought. I might say I am familiar with the work of my local VON organization. I was once on the United Way panel that was kind of looking at them and so on, and I certainly feel that it's an extremely valuable organization.

I don't see any reason why you would lose your identity under the new arrangement. I would have thought that the opposite would be the case, that you would be required more and more and would be able to fulfil your role more than you do now.

I agree with most of the things you say, but my puzzlement is that they sound exactly to me like the kinds of things I've been hearing as a member of the government caucus who has been taking an interest in these issues and I think knows exactly what we're trying to do with this legislation.

Obviously, Bill 101 doesn't cover it all, but when we talk, for example, about wellness and consumer satisfaction being the goal, I think that's exactly what we're trying to achieve. I would hope that when a person is assessed, we won't just be looking at the treatment he needs for whatever is wrong with him, but that we will be looking at rehabilitation and whatever can be done to help him to become more well and maybe to be in a nursing home setting and then move back into the community. That's one reason we're not asking people to dissolve their assets to pay, because we want them to have a home to go back to. That has been very definitely thought of.

I think this kind of interaction between the community sector and the institutional sector that you are saying is desirable is exactly what we are hoping to achieve here. I'm just wondering if there's anything very specific in the bill that makes you feel that we are not going in that direction or that there's anything that would militate against that.

Ms David: I think, first of all, there is provision in the bill for short stay, but there isn't a clear understanding of what short stay may be and I don't think it provides for the loop to come back into the community. That's the first thing.

When we say that we don't want people to dissolve their assets, it may not matter; they may get locked into a system. I guess that's the concern, that once you enter a system, is there an opportunity for you to leave that system? When you build a system that's based on acuity, you're not building in the out, you're building in the in and staying.

Ms Carter: Yes, but I don't think there's an assumption that the person is going to go necessarily from one level of acuity to a higher level. I think the hope is that sometimes their very specific problems can be pinpointed and they can either need a lower level of care or be able to return.

Again, when you're talking about going in and doing services for people who are in an institution, you're talking about the present situation, surely, and I would have thought that the changes would mean there would be more outside agencies providing services within institutions than is at present the case. It is my understanding that was the intention.

Ms Tuck: I would hope so too, but that was not recognized in the wording.

Ms Carter: I see, but certainly that's what I had understood.

Ms David: We also know where hope gets us.

The Chair: I want to thank you for your presentation. I think what's been particularly useful for the committee, being the first—I know we have a number of representations—

[Failure of sound system]

The Chair: —practical level of how this system will work and raising some questions around that. So thank you very much for being here this morning.

VICTORIAN ORDER OF NURSES (ONTARIO) VON, GUELPH-WELLINGTON-DUFFERIN BRANCH

The Chair: We call then our next deputation, also the Victorian Order of Nurses, but this time from the esteemed communities of Guelph, Wellington and Dufferin. We also welcome the honourable member from that area.

Mr White: You didn't make reference to the esteemed communities of Whitby and Oshawa.

The Chair: The brief is being circulated. We want to welcome you to the committee. Please have some water. If you would be good enough just to identify yourselves for Hansard, then please go ahead when you're ready.

Ms Jan Lord: I am Jan Lord, the executive director of the Guelph-Wellington-Dufferin branch of the Victorian Order of Nurses.

Ms Gale Murray: Good morning, I'm Gale Murray. I'm the provincial director for VON in Ontario. Thank you for the opportunity, Mr Chairman, and committee members, to present this morning on Bill 101.

Before we proceed with our presentation, I'd like to clarify that I'm going to be giving some introductory remarks with regard to the overall position of VON in Ontario. These are draft remarks because we haven't had a chance to do our full consultation within our organization.

What I've distributed to you is our overall position summary on long-term care, which has been vetted through our branches as well as our provincial board and has been presented to the Minister of Health in November.

The Chair: Could I just note—I think you may be aware of this—following this discussion there still is a period of time, if you wish to present anything in written form, and the committee would be happy to have it.

Ms Murray: Thank you, Mr Beer. In fact, we do intend to submit to you specific comments on Bill 101 in written form before the end of your hearings.

I'll be speaking on our broad direction, our initial comments on Bill 101, and Jan will be speaking about the Guelph-Wellington-Dufferin experience. You've had the opportunity just previously to hear the perspective of our VON Durham branch.

I would also note that Rick Howarth, who presented to you on behalf of VON Durham, is also the chairperson of our external relations committee provincially, so we're bridging local and provincial this morning.

The Chair: A seamless web.

Ms Murray: A seamless web, right.

In terms of our response, we'd like to start out with what we are trying to understand is the vision of Bill 101. In our position summary, you'll see in our initial statement that our vision is a long-term care system that is consumer oriented, that allows the consumer a choice of needed services in his preferred location and with his preferred service deliverer within, we know, limited resources available for the province. So we really like the thrust of the philosophical statements by government and also by the other parties to say we really have to turn the system around from being one that's provider-driven to one that's truly consumer-driven.

Part of our problem in reviewing Bill 101 is that we aren't seeing the policy framework, so it's very difficult—and from your earlier questions to VON Durham—it's hard for us, in a way, to evaluate totally if Bill 101 is taking us in the right direction. I am making some assumptions here and perhaps we can have some further clarification.

We see Bill 101 as an incremental improvement in terms of the vision of a consumer-driven system, and specifically we're pleased to see direct funding through grants to the physically challenged because ultimately that gives the person the power to say yes or no, to measure quality and to walk if they do not feel they're getting the appropriate quality and cost-effective services.

1050

We see that as a very, very important innovation that should be looked at, not just in terms of the physically challenged but perhaps in broader application, and we draw your attention to some of the literature, particularly in England, about the cost-effectiveness of this kind of approach.

Secondly, we like to see this movement of omnibus legislation pulling together different pieces in terms of the Charitable Institutions Act, the Nursing Homes Act and the Homes for the Aged and Rest Homes Act. However, we still have three acts and, additionally, we don't speak to the chronic care beds. As Durham has mentioned, and I think you'll find all of the branches saying, we really are talking still a fragmented approach that's risky in terms of moving on one piece without us seeing the whole picture. But it is an improvement to at least have some consistency in terms of this system of long-term care facilities.

We also see that the movement to ensure consumer information is important, and that's an improvement, meaning that the consumer knows well what the services and programs are that the facility is going to be offering. I think you might also want to expand that to community-based services—I mean, what is good for the facility surely is good for all of the health and social service system—and specifically the requirement that the plan of care be shared with the clients. So we move away from what has been a somewhat if not overbearing paternalism within our health care system, that the professional knows better than perhaps the consumer knows.

We also note that the appeal process regarding eligibility for services is an important improvement, so that if the proposed placement coordinator doesn't approve eligibility, there is a mechanism for appeal. So the client has more redress.

If we are going to go incremental, and our overall recommendation is not to, but if you decide that is the way you're going to go, we also would urge you to look at the chronic care beds, because when you look at the overall dollars in the system and you look at the allocations, they're a very significant component of the long-term care facility network and you're only dealing with part of it. I would think that if you're going to make these changes, you would want to look at that component as well.

Later on, in my other remarks, you'll see we have a much broader concept of an envelope of funding that would allow the consumers to have more choice in the sense of where they would receive services. We're still, it seems, in your legislation, making a distinction: We have certain kinds of care in the community and we have certain kinds of care in facilities. Why are we not moving to a concept of consumer-need-based service, where they choose their location? We can give you examples of our branch experience in Hamilton where we've looked after quadriplegics in the community for years.

But we have not got that kind of flexibility yet, in what we've seen in the legislation here, to allow the consumer—in some cases the facility may be the best place for the care to be delivered, in consultation with the family, the consumer and the professionals, but in other cases we might very well be able to sustain people at home because there's a commitment by that person to wish to take more self-care or there's neighbourhood support. Let's move to a more generalized envelope of funding for the individual and not still think in chimneys of institutional and community. We want a long-term care system.

We additionally note that even within some of the incremental changes—within the Nursing Homes Act there's a

reference to the residents' council being notified of what the services and programs of the facility are. There's no other reference in the homes for the aged or the charitable homes legislation requiring the same thing. I think it reflects the fact that in those pieces of legislation you probably don't reference residents' councils. So if you're going to do incremental change, we would recommend that you incorporate the residents' council, at least in all three pieces of legislation.

As we said, in terms of our vision of long-term care, we see it as a comprehensive system that isn't fragmented by category-of-care location but rather is based on the premise that people receive needed care and that they will receive the care in their preferred location, assuming it's within the resources available.

Specifically, in turning to Bill 101, we have some concern about the expansion of the role of the placement coordinators whereby they seem to have the power to decide what facility the person could access. Surely this should be attempting at least to meet the consumer's choice of facility wherever possible.

In terms of the funding and the cost, we're concerned that if the government moves ahead with Bill 101 now, you are still sending the message that you are preoccupied with institutional care, unfortunately, because we have not seen anything that tells us the shape of the future in terms of health promotion, wellness and community-based in-home services. We're seeing a lot of activity by this committee, but the focus is within Bill 101. We feel that given the fact that we already have such an allocation of resources towards institutional care in the sense of chronic and extended care beds, we really should be very cautious about proceeding with legislative change. You may be further entrenching the bias towards institutional care, not intending to do so, but because of the train of development we're maybe going to put some things into place before we see the whole picture, and we might not want this once we have the bigger picture to look at.

Secondly, I would like to comment on the fiscal accountability model in the legislation. It's essentially what I'd call a control on resource utilization as opposed to implementing resource outcome. Specifically, you're looking at controlling the number, type and funding of beds rather than setting a mechanism of cost benefit into place to look at whether facility-type care is the most effective care for particular kinds of client groups or to even cost across the system. We would ask that, as part of the move ahead in long-term care redirection, we develop management information systems such that we can compare service delivery costs, whether it's facility or community or in-home, a medical or a nursing model. Without that kind of integrated information system there's no way to do that kind of cost-benefit analysis that ultimately is in both the taxpayers' and the consumers' interests.

As VON Durham noted in their presentation, we seem to be moving into more of a regulatory control model. I don't know whether that's the model of the future that we want to put into place in the health system. Regulatory control is very expensive. It also tends to result in gross application of regulation and doesn't allow for the kind of flexibility we want. We might be better to look at a quality management model where we're looking for accountability by people having to report on the use of their resources and their outcome, and where we also look at perhaps third-party accreditation as opposed to the government specifically legislating and controlling.

We may also need a blend. It may be not totally one or the other, but certainly we would ask that you give consideration to a model that is not just regulatory but that has quality management. Within the legislation now you're talking about quality management or quality assurance, but it doesn't have the concept of quality management that we were working towards in VON, which is the idea that we are trying to continuously improve care and be more cost-effective. There are the two components of the quality management model. The problem in regulatory may be that you may be wishing to increase the quality, but are we going to add on more costs because we don't have enough flexibility to restructure and reorganize how we deliver, how we staff and where services are available?

In terms of the major components of the long-term care system, we've alluded in our reference paper to planning, allocation, coordinating, MIS and human resources. Right now we're moving ahead with the planning for Bill 101, but again, we haven't brought out the larger policy framework and we haven't linked this with our local DHC planning process. So I feel that we're moving away from the government's stated direction of wanting to develop the health care system from a strategic policy framework and that there is a real risk here to go with legislation before you have those other pieces in place.

1100

In terms of the allocation of resources, and here I'm making an assumption, it appears from the legislation that we're going to continue centralized funding of extended care beds and we're not even, in that, going to deal with the chronic care beds as at least the same mini-envelope. As you'll know from our paper, we are strongly recommending the concept of devolution. Given the fact that we're talking within the health care system of a $17-billion expenditure, we really need to rethink how we deliver and fund services and to move towards the concept of a long-term care funding envelope that would include the facility components, the in-home components and the community-based components.

But with the envelope being administered at a closer level, ie, a district level or a municipality level, it will allow for us to be much more flexible in how we structure the services and meet the needs. I think we'll find that communities will have different priorities when we look at the size of Ontario, that there will be possibilities for the mix and match of services. Some of your earlier discussion is very different from community to community. So moving in this direction, and particularly focusing on the long-term care component of the health system, is an ideal opportunity. You've probably been reading the southwestern planning commission, which was broader and talked about the whole of the envelope. That may be unmanageable at this time, but we have an opportunity to at least look at long-term care components.

We're noting also that you're talking about the level-of-care funding. In our position summary on redirection we said we should be very flexible about our ideas on funding. Again, and I think VON Durham alluded to some of the VON concerns, when you move into a level-of-care funding are you in effect creating some fiscal incentives to heavy care; meaning, where is the incentive for rehabilitation and discharge? If we're going to fund, certainly we want to use the fiscal lever to achieve the kind of outcomes that we want in the system, so I think we would want to do something more than just straightforward level-of-care funding. We also have to look at level-of-care funding in the historical context in other parts of the country and look at its impact.

We may wish to consider some kind of blended funding of capitation plus level-of-care funding so that we're building in incentives for, again, as I was saying, flexible service delivery and not because level-of-care funding is this and this is how we therefore end up delivering the services. If we allow the ultimate flexibility of an envelope for the consumer, then we may find that in fact we end up spending less money.

I'd like to cite you an example of research we did in Hamilton with regard to in-home respite and education and counselling of families. We found that if the families received the education and support, they required fewer units of in-home respite because they were better able to cope with the situation. Whereas if we had just put the in-home respite in, in a way that's sort of the bandage and not drawing back to understand what are the underlying dynamics.

So whenever we start to think about funding, I think let's be flexible and not too rigid in terms of our approach to that kind of question. Right now the government is looking at issues like comprehensive multiservice agencies which VON is very interested in, and Jan will be talking about some of what we're trying to do in Guelph right now to be more integrated. They're also looking at different kinds of funding models in other parts of the system, so I'd ask you to give real thought to how we end up funding, because it is such a powerful incentive.

We also would like to comment on placement coordination because we've run a number of these programs now within the province. We're very pleased to see the expansion across the province. That is necessary because for many consumers it's extremely difficult to access facilities at the moment. You mentioned how many there are in Durham. If you're in Metro Toronto, it's difficult. So this is an improvement.

We also would like to bring in the consumer. Again, here in the legislation speaking to the coordinator's role, make sure that we also empower the consumer to have some rights to choice in that. We also would see placement coordination logically situated with the devolved board because information referral and placement would seem to be some logical functions that should be at a general level in the system as opposed to in every agency in the system.

In terms of the flexibility, if you put it in with the devolved agency, then it allows the person to be referred to the community as well as the facility. Again, we aren't biasing the system towards facility care as opposed to community care.

That summarizes our initial thinking to date. Within VON we have 33 branches in Ontario and we have a consultation process. We'll be sending out our initial review, which has gone through some committee work, and then we hope to have our final comments back to you in terms of the end of the month for a written brief to the committee.

I think Jan is going to speak now from the perspective of VON, Guelph.

The Chair: Please go ahead.

Ms Lord: I'll just tell you a little bit about our branch. We're a branch that serves the city of Guelph, all of Wellington county and all of Dufferin county, so it's a mix of urban and rural. In reviewing Bill 101, in consultation with VON Ontario, I share the concerns. What I wanted to make you aware of is that within our branch we are trying to respond to the direction of the minister in terms of integrated and coordinated service delivery.

Our branch is a multiservice branch, because we provide more than just visiting nursing. There are two branches in the province of Ontario that provide homemaking services as well as visiting nursing, and Guelph-Wellington-Dufferin is one of those branches, with approximately 275 homemakers on our staff who provide home support services, including a lot of personal care to clients we serve.

We believe very strongly that having the right provider provide care is a better use of resources and probably meets the needs of the consumer better. Again, the focus, I believe, in community-based service is not necessarily following a strong medical model but looking at a blended model that looks at the support services required to maintain people in their community. We also provide foot care clinics across both counties and we have friendly visiting for the frail elderly, both in the urban area and the rural area of Wellington county.

We sit on a variety of committees across both counties looking at integrating services. One of them is in the north Wellington area. Under the direction of the north Wellington advisory group, we are looking at a multiservice facility in which there would be six to seven agencies that would share physical space in a single building. But it would be more than just the sharing of space; it would be beginning integration of programs.

Some of the programs that would be in there would be the health unit, VON, the Guelph counselling service, the north Wellington advisory group, the rural women agency, again looking at common intake, common information sharing, beginning to look at the development of possibly single records for the transfer of information.

The other area that we're looking at in terms of integrating and coordinating care is within our branch itself, to try and get away from the chimney way of delivering service. Right now, we deliver homemaking and visiting nursing and the volunteer visiting, and we might be involved with one client with all those services, but they tend to operate relatively independently.

What we're going to be and currently are planning on is developing two pilot projects in our branch where we

integrate the services within our own branch, so that from the consumers' perspective it's a single service that meets their needs, whether it's for professional visiting nursing service, home support or homemaking service.

Part of our planning will be to develop collaborative relationships with other providers of service in the community, particularly our local home care program, which right now, because of the home care legislation, really does the resource management for clients receiving care under the home care program. We have a very positive and good relationship with our home care program, so we're very optimistic about being able to develop these collaborative relationships.

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We're also collaborating with several other agencies in developing an in-home respite program, again building on the experience Hamilton had with its in-home respite, which is a model that focuses on the care giver, so it's a respite program for the care giver as opposed to what we would ordinarily call the patient or the client.

Again, we're submitting a joint proposal with the Guelph services for the physically disabled, which provides in-home attendant care service, and our branch, the Alzheimer Society of Guelph District and Wellington, the placement coordination service, and with the support of certainly the home care program, although it's there as a resource.

Our concern in terms not so much of the legislation but of the whole focus of long-term care is that we don't have a clear sense of what the policy direction will be related to this comprehensive multiservice agency, so we're not sure how VON will fit into this but feel very strongly that VON, first of all, supports comprehensive multiservice delivery of care, both in the community and across the community in institutions. But it's very difficult to plan and understand how that is going to work without the policy direction from the government.

The Chair: Thanks very much. You've given us a lot of food for questions. As I mentioned, the member for Wellington has joined us. I would like to ask the committee, as a courtesy, if he could ask a question, but I need the approval of the committee.

Mr O'Connor: By all means, Mr Chair.

The Chair: Thank you. Mr Arnott, welcome to the committee. Please go ahead.

Mr Ted Arnott (Wellington): Thank you, Mr Chairman, and thank you both for coming in today. You've given this committee a great deal of information and your local perspective, Ms Lord, of what wonderful work we're doing in Wellington county. We certainly appreciate that.

I guess we get back to the Orser report when we see some of the origins in terms of health care recommendations devolving power from Queen's Park to regional centres. I've listened to what you've said on that and I think there's a good deal of merit in terms of that approach, but there are also, I think by definition, going to be problems with that approach. I guess if we as a society determine that decentralization of service is the best way to go in health care, a responsibility the government has, we have to address the problems that may be forthcoming.

I think the Ministry of Community and Social Services has to a large extent done exactly what you're saying. There are two things that probably come up, though. One is the resistance by the civil service in Queen's Park to devolving its power to local offices. That seems to be a natural inclination. But second, there is a loss of political accountability, I think, when powers devolve to local regional offices.

The third thing is that when you draw boundaries and you have different services on either side of the boundary, you're going to have people who are living close to the boundary who wonder why, if they lived one concession road over, they would have a service. With Community and Social Services we have that problem. I'd just like to ask you to comment on those issues.

Ms Lord: I'd certainly agree with you, and we were encouraged to see the expansion of the integrated homemaker program, because currently neither Wellington nor Dufferin county has integrated homemaking, but Waterloo does. On one side of the highway people are in the Waterloo area and on the other side of the highway they're in the Wellington area and some people can get it and some can't.

I think it's the whole idea of how you define community and, although we talk a lot about the community, we each have a different perspective of what that community is. Again, I think it would take a great deal of consumer input and local input to determine what were going to be the boundaries of community that would meet particular needs in that community.

Mr Arnott: They're very difficult to draw, though.

Ms Lord: Yes.

Ms Murray: I'd also note that when we're proposing the devolved authority for the long-term care envelope, that does not preclude provincial responsibilities as well. I think it's very important. The province has to ultimately decide how much money it can afford to spend, ie, what is going to be the boundary of resources. The province will also have to ensure some definition of what are core programs, meaning what will every community in Ontario have? That's a prerequisite. Thirdly, standards in terms both of the quality of service and cost-effectiveness. We don't see it as unilateral, that we just hand all the problems down. We see it as a balanced approach of understanding what can be most effective provincially, what can be most effective.

The issue of political accountability that you raise: I think the Premier's Council noted earlier on two basic ways to go. One could be with the municipal model; the other could be with special-purpose body. In any case, the concept of some kind of local control, as Jan alluded to, in the sense of an electoral process such as they're now looking at in Quebec, would probably help to offset some of those. Certainly, the move to at least core programming across the province would help the equity question.

Mr Arnott: I have just one other question. British Columbia is going through this process right now. Do you think it would be prudent for us in Ontario to watch what they're doing very closely and maybe wait a bit to see what their experience is going to be and see what we can learn from them?

Ms Murray: I think it would be prudent for us to look at the experience of all of the provinces: Quebec, Saskatchewan, BC, New Brunswick, everybody is looking at restructuring. We should also look at the international experience, but on the other hand, I think we also have to move ahead. There may be ways of at least maybe trying some piloting of approaches, getting some more sense of what is going to be most effective for us.

The Chair: I don't know whether that means we should travel.

Ms Murray: As a committee?

Mr Jackson: Do you want to put that in the form of a motion, Mr Chair?

The Chair: No. I'm not going to touch that.

Mr Wessenger: Thank you very much for your presentation. First of all, you mentioned how you did not think a regulatory approach works. I'd just like to throw out to you what we heard from a consumer yesterday when we asked about her perspective concerning how the system worked. She indicated that she felt that rampant through the system there were problems with the way the institutional system worked with respect to difficulties.

Although one can say, when you approach this problem, shall we say the good-cop, bad-cop routine, you first of all try to work with the institution to get it to improve its position, don't you think that at some stage you have to have some enforcement mechanism, some way of ensuring that institutions do comply? I think it's fair to say there appears to be some criticism of the present system, which is basically sort of the soft glove approach.

Ms Murray: I think we have accountabilities. The province has to ensure that things it's funding—services, whether they're institutional, community or medical or what else—are giving the consumer quality and cost-effectiveness. But we have different models of how we do that. If we look at the professional colleges in the new legislation, we're talking about peer monitoring. If we look at the hospitals, we're talking about accreditation processes and, yes, ultimately the minister can put a trustee in to run a hospital.

I'm wondering if you're looking at the Nursing Homes Act as your model for the long-term care facilities, as opposed to expanding and looking at how we regulate and encourage quality and cost-effectiveness in other parts of our system. I'll put the question back to you: If you've had experience with nursing homes and the Nursing Homes Act, do you feel that the act accomplished the required outcome? It's the most regulatory in nature of all of the acts that we have before us.

Mr Wessenger: It's fair to say that there are problems in that situation.

Ms Murray: Exactly.

Mr Wessenger: Obviously, it's not working as well as it ought to be. There may be many factors involved in that, aside from the legislative scheme. I think sometimes looking purely at legislative schemes is not necessarily the cause of the problems. There may be other aspects.

Ms Murray: Can you regulate caring?

Mr Wessenger: No, I think that's fair to say.

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Ms Murray: That's the heart to me. I'm not arguing against regulation. I'm saying we're going to have to have some of it, but we can't expect regulation to achieve what we really want, which is a long-term care system that cares. How can we? How can we support the caring components? That's what we were balancing out here, and that's why I'm saying, when we address the issue, if we think that regulation alone is going to create this kind of heart and soul of the system that we want, it won't. So what can we do to create the heart and soul?

I think empowering the consumer to have more choice is the quality issue. It's not just sort of philosophical. If they have choice, their experience of whether they're getting care in a facility—by the way, I have worked in nursing homes too, so I've got direct experience. The issue of consumer choice is so important.

The person who gets put in a facility feels disempowered. The issue of having control over one's life is so important; you know, not having a paternalistic system. There are many other issues, and I'm just drawing to your attention that overemphasis on regulation may not get what you want. Look at our experience to date, and then let's try and come up with some other alternatives that are going to create the structure.

Fiscal incentives, as I referenced, incentives for people to get well, to focus the system on wellness rehabilitation—I think Ms Carter referenced that earlier—are very important. It directs us where we want to go, as opposed to paying for levels of care. What's the message on levels of care? Higher care, more money.

How do we offset that with, yes, we have to fund adequately, but where are the incentives to rehabilitate? How do we structure where we locate services? We referenced earlier that VON is doing a lot of infusion therapy. We're quite prepared to go into facilities now and do that because we have enough base to have the credential aspect of quality, and you're not going to have enough client case load and it's going to be very costly to maybe do it in the facility, so we need to be, again, flexible in how we fund.

How would we fund VON to go into facilities to do infusion therapy? Similarly, how would we take the experienced team from a geriatric assessment and use it in the home? That's why we can't do one piece of the system alone. We have to look at it holistically.

Mrs Marland: I think the ministry should hire Gale. That's extremely well said.

Mr Randy R. Hope (Chatham-Kent): As we go through this process we listen to sides of stories and comments that people have, and yesterday there were some comments made on which I need some type of clarification from you. I was reading your document as you were talking, which talks about this support for non-profit services, in human services I guess. Is that support still there?

Ms Murray: Do you mean does VON support preference for not-for-profit delivery? Yes, we do. We have a position paper that we will share with the committee on that subject.

Mr Hope: The other question I have is, I was reading your paper and it talks about providing services for the consumer. Yesterday I heard comments saying: "The non-profits are very selective in what they take. They won't take the two-hour case load." I want the opportunity to help me to understand.

I need a balance of the stories here, because a presentation yesterday said, "The reason commercial agencies have increased their share of public funds in home care in recent years is because their flexibility, responsiveness and effectiveness efficiently enable them to meet the service demand not-for-profit agencies could not." I would like you to comment on that, please.

Ms Lord: I'd like to address that. In terms of being flexible and providing service for more than selected clients in Guelph-Wellington-Dufferin, we provide, I would think, 100% of the visiting nursing to the home care program. We service clients who require two-, three-, four-hour visits. We make visits at 4 o'clock in the morning, I know, to one client. We have three visiting nurses who work on a permanent evening and night basis, so we truly have 24-hour-a-day coverage, and that is true in our homemaking program as well. We provide quite a lot of evening homemaking service and weekend homemaking service.

In the rural areas, we provide visiting nursing and visiting homemaking, and it is my understanding that the for-profit visiting homemaking services certainly provide service in the Guelph-Wellington-Dufferin area. We get most of the rural homemaking, again because it's more expensive than providing homemaking in an urban centre, generally speaking.

But our sort of philosophy is that we're there to provide a service and that we'll do it whether it's two hours, one hour or half an hour. Certainly in our homemaking we have clients to whom we provide one hour of service in the morning and one hour of service in the afternoon. From my own particular branch's perspective, one of the things we are is flexible and comprehensive.

Mr Hope: Are you financially accountable too, by the way? Because I've heard the comment saying you wait for the blank cheque to pick up the deficits for the non-profit agencies.

Ms Lord: We feel extremely fiscally accountable both to our own board, and to VON (Ontario) and the VON (Ontario) board, which negotiates provincially with the Ministry of Health for our home care fee-for-service and visiting nursing. Our whole objective for the last two years has been to operate in a deficit-free situation. Our branch has been deficit-free.

Mr Hope: My final one would be, are you working on—

The Chair: A short and final one?

Mr Hope: Yes, it's short and final. As you notice, all my questions have been short.

You are a provincial organization. I'm curious, are you working on a province-wide standard that can apply to all home care providers? Are you working with other groups to develop a home care, and who are you working with?

Ms Murray: Perhaps I might respond to that. VON initiated a request to the ministry about a year and a half ago that we in fact put together a providers' group at the provincial level to develop, in this situation, visiting nursing standards and also guidelines for contracts across the province so that we have what we said earlier, that provincial standard. We're also interested in pursuing accreditation in community agencies. We've had discussions with ministry staff about moving in that direction in order to ensure quality.

Mr Hope: Could you tell me who is in that group?

Ms Murray: The group is chaired by Greta Spalding-Martin, the director of in-home services. The VON is at the group. St Elizabeth Vising Nurses is at the group. The consultants from the home care in-home services branch are at the group as well.

Mrs Sullivan: Before I start, I understand that our next intervenor is not going to be appearing. I wonder, if there are additional questions, if we could take extra time and perhaps go around the table once again, if necessary.

The Chair: You may have noticed that we have taken extra time.

Mrs Sullivan: Even more?

The Chair: The Chair has tried to be open to the committee.

Mrs Sullivan: I know. You've been very flexible and open, as usual, Mr Chair.

Mr Jackson: And fair.

Mrs Sullivan: And fair.

I think this has been an interesting presentation. One of the things that it underlines and that you have underlined, it seems to me, is the frustration that we have as legislators when we have a piece of implementation legislation without having the full surround of the legislation and the fit within a policy or strategy. This has been certainly a frustration of ours. We have put that on the table.

We were very concerned that the policy document is not available to us at this time and will not be available for some months, we understand, and we're dealing in fact with a piece of legislation that is putting into place something where there may not be a fit over the longer term.

I think one of the poignant points that comes from your presentation is in dividing the roles of legislative responsibility. Even seeing where this legislation fits, we have to know what the provincial standards are, the guidelines, the policy directions, the goals. The province is going to have to define the funding availabilities, and in fact a prioritization of the enhancement of services over time and how it will integrate one with another. Because we don't see that surround, I think we face the same frustration that you face.

We have seen from all of our presenters so far, I think, evidence that you have given of frustration of working within the existing system where, because of rules that are put in place, largely because of a funding requirement, integration is blocked, so that, by example, the home care agency can't refer someone into a respite care or adult day

care for a portion of the time where there may be a more cost-effective approach.

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I think those are the kinds of things that we are having difficulty with in dealing with this piece of legislation now. That's not to say that we don't support the concept of this piece of legislation. Frankly, in our party we don't think there's much difference in the nursing and personal care needs of residents in a nursing home or in a home for the aged, which is a fundamental part of this legislation.

I wanted to just walk through some of the points that you have made. I think we have heard from other presenters as well, and it is a concept that is very much one that we are more interested in looking at and you have raised as something that's valid and useful, about the direct funding of individuals other than the disabled. I was very disappointed that the Minister of Community and Social Services said in the original debate on this bill that they couldn't even proceed with the pilot on direct funding for the disabled because she needed a legislative sanction.

In my view, that's not correct. I think that indeed there has been direct funding in the past, and it just seemed a bizarre statement to me. However, I think those kinds of pilots could extend into areas other than the physically challenged, and seniors certainly are one area where the personal choice then becomes the priority. I was interested that you as well are concerned and in fact a proponent of direct funding for other than the disabled.

The omnibus legislation that you've mentioned and the fact that we're still dealing with three acts and the chronic care is not in, we are concerned about. We feel that the role study should have been available to us, and chronic care facilities should be considered as part of a long-term care, facility-based delivery. In fact we have other concerns in that there are still two ministers involved. The tugs between the two ministers on the direct funding issue, by example, are still, it seems to us, problematic.

Mr Jackson: Two new ministers.

Mrs Sullivan: And now two new ministers. That's right.

Mr Jackson: They can arm-wrestle each other in cabinet. It's going to be fun.

Mrs Sullivan: That's right. I think that once again, were that strategy document available, we might well see what kind of a structure is going to drive the vision ultimately, and we don't have that.

The fiscal accountability that you talked about moves, I think, quite well into the quality assurance, quality improvement area. We have given the government the benefit of the doubt that it used the wrong term in drafting the legislation. I think we have a commitment from the parliamentary assistant that the government is going to look at whether the words are going to be changed and perhaps bring in an amendment.

Whether or not that amendment will in fact change the entire enforcement approach as well—and I'd like comments on this—and whether other amendments will be required in that area becomes, I think, the next problematic, because it seems to me that they are integrated concepts. If you have continuous quality improvement methodologies in place—or quality management, which is, I suppose, the more generic term which could go into the bill—then what relationship does that have in terms of the enforcement models versus outcomes measurement?

So that all members around the table will be able to understand that debate, I'd like to hear more of your comments on that. I think it's a very important aspect in dealing with this particular bill and what will happen over the long term in the LTC stratagem.

Ms Murray: I'm filling in gaps here. It doesn't speak, in the legislation I'm reading, vis-à-vis the levels-of-care funding. I'm assuming this is prerequired in order to put in the levels-of-care funding. So you're funding people on some kind of patient classification system and you're allocating units of resources for that. What's the link between the units of resources and the expected outcomes? Unless you start to build in a data system to be able to look at how many resources you're putting in to get what outcome, you're going to be in a quality assurance mode. You're not going to move that loop over to be the quality management, because the quality management essential difference—and it's why we have to go—is that it's not cost-plus.

I'll give a bit of my own personal background. I was involved with the quality assurance coordinators' group and I did develop some initial concepts about long-term care quality assurance systems. You set standards and then you kept trying to meet the standards, improve the standards, but you never looked at it in terms of how many resources it took to improve the standard or what the cost-benefit was. We have to move to that second stage now and look at what are the outcomes we want. We continuously improve, but we have to continuously improve with more cost-effectiveness.

There's a tension, in my mind, between the more you regulate and specify how and where and what is done, and those concepts of flexibility to continuously improve and be more cost-effective. Because you have to free up, in this case, the facilities we're talking about, plus their clients, their residents' councils, their families, to rethink how they do services all the time. But legislation specifies how you will do the service. It says, "You will have the care plan, you will review at this time, you will involve this person and that person." How do we balance what we really need to regulate—and maybe physical fire safety is an example of what you must regulate on—against the care process?

We may need to be a lot more flexible and be cautious about regulating that care process, because you're building in that people don't have the flexibility to change. If they can't change, how can they continuously improve in a cost-effective manner? That's the other part we always have to bring together. That's what we're exploring in VON.

Going back to some of the questions I assume the for-profits were raising about the flexibility of the not-for-profit agency, I would say to you—and we're on the record and if you read our position paper carefully—that having choice in the system is very important. Whether it happens to be a for-profit and not-for-profit choice to me is not the

question. It's the choice that forces people to have to compete on excellence.

I wouldn't often use a US model because I don't think it's the most appropriate, for sure, for Canada, but there are some things in it that are interesting in terms of their HMOs, health maintenance organizations, reporting. They have to publish their quality indicators. That might be something we might want to think about: So I get to rate VON versus other agency versus the facility.

And I want us not to just think facility here; we've got to think the whole system. That's the risk: If you put stuff in for the facility, again you're predisposing how the system's going to look in the future, and that's why my point about placement coordination. If you leave it with just the officer who is the placement coordinator, you've again robbed the consumer of being empowered. You also force excellence into the system when there isn't only one choice. Choice becomes important, I think, for continuous improvement and cost-effectiveness.

That's why, in our position, we're very interested in the CMSA, comprehensive multiservice organization, but we don't think it should be one CMSA. If you do that, then the consumer is locked into only one agency providing the comprehensive service. It might be good to have some choice, but we can't have tens of thousands of these either, because that doesn't become effective. But what's the balance here? Allowing for consumer choice, then building in more emphasis on quality management, and yes, regulating where we really have to regulate.

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Mrs Sullivan: Following up on that, the Ministry of Health has provided specific funding for MIS improvement in the hospital sector. It seems to me that it would be a useful approach in long-term care as well. Mind you, it may well be in the strategic document; we don't know. In your discussions with ministry officials, have you put a recommendation forward with respect to MIS funding over the entire spectrum of long-term care services? How do you see specific funding being used, given the kind of fragmentation we have now?

Ms Murray: Yes, we have made a recommendation. In that summary paper to the Minister of Health, we strongly recommended that we build on the initiative of the unique identifier number, which now allows us for the first time to track the use of the system by individual. And we shouldn't just be looking at the long-term care MIS; it should be the health MIS, so that we can begin to evaluate some of our outcomes. A lot of money has gone into the hospital system. Virtually nothing has gone into developing the community side.

I would strongly recommend, before we spend any more money, that we do an integrated, health-system-wide approach, because then we can start to do that analysis of cost-benefit. Until we do that, we're still thinking, "We have the hospitals over here, and we'll have the long-term care facilities over here and we'll have physicians over there and VON someplace else." How can we know that a nursing model is not the more effective model in terms of health outcome if we can never measure this type of practice model against, say, a medical model, against a different kind of model?

Within VON we've done a lot of systems development for better management, because without information, you can't be fiscally accountable. But we can't do that as an individual organization. This really requires government leadership, because the capital cost to do such a thing is beyond the ability of any one organization. Besides, we don't want it fragmented; we want it universal.

Mrs Sullivan: Do we have time?

The Chair: I know there is further interest. I was going to allow one more question from each caucus because that has been requested, so you may have your one last question.

Mr Hope: Mr Chairman, mine is not a question; it's for clarification from ministry officials.

The Chair: Okay, I'm going to allow each caucus to seek clarification and/or ask a question. So Mrs Sullivan, if you have a last question?

Mrs Sullivan: My last question goes into a different area which relates to accreditation, but I also wondered if the parliamentary assistant of Health could provide us with information about consideration of MIS enhancement, with respect specifically to long-term care. Additionally, because the issue has come up and I think we have a promise from him of an amendment, if additional documentation with respect to quality management introduction in the legislation could come forward at some point, I think that would be useful. But my question—

The Chair: So noted, parliamentary assistant?

Mr Wessenger: So noted.

The Chair: I want everyone to note that the parliamentary assistant is noting everything.

Mrs Sullivan: Good. The issue of the unregulated worker, in terms of the long-term care spectrum, has been raised, and certainly we know that with the RHPA there are scopes of practice and so on. But in long-term care actual delivery there are a lot of people who are providing services—not the least of which are families—perhaps without training and without a standard or measurement in terms of what ought to be the basics for the provision of services. There is a difference in basic things that have actually no relationship in terms of delivery but, by example, the bonding of the individual.

I wonder if you have prepared documentation or recommendations with respect to the unregulated worker and how you see that becoming part of an accreditation process, if at all. Accreditation, of course, moves into another area, but it seems to me that you have to talk about personnel in the context of an accreditation argument.

Mr Hope: I thought you said one question.

Mrs Sullivan: It is.

The Chair: It is one question with a surround.

Ms Murray: I think the core of the question, though, is with regard to the paraprofessional worker—ie, homemaker, health care aide—because they are not professional and do not report to a college under the health professions legislation.

I don't think we want to have all care in the community and in facilities to be professionally based. However, I think one of the things we can do to ensure the quality issue is to have curriculum that's standardized across the province through the community colleges with regard to homemakers and health care aides, so we know that when people go through the training program in Thunder Bay or Windsor or Toronto, they're getting at least the core units that are necessary.

I also think the thrust, whether they call it homemaker or health care aide, is that we move to the more generic worker concept, but I would also like to distinguish between what I'll call the generic personal care worker and the home support worker. I think these are two different kinds of services.

The home support worker might be going in to assist with some light housekeeping; it may be the snow-shovelling; it might be errands. They are not doing personal care, in contrast to the health care aide or the homemaker 2 or 3 within our current system, who is laying on hands and doing personal care.

I think we want to make sure that the person who is laying on hands has at least the core program and that we do that through our community college; therefore agencies, if they're using these workers, would hire people. In order to facilitate retraining, which I know the government's interested in, grants to assist people to train, which has been in place and could be enhanced, would assist to make sure that we have appropriate numbers available.

If we're going to be cost-effective, I think we have to use the paraprofessional worker wherever we can. Within VON, I draw to your attention that approximately 20% to 25% of our workforce is RNA. If you'd talked to me two and a half years ago, we would have been talking less than 1%. We have restructured our workforce because we believe, with the changes in the standards of the practice of the College of Nurses, that the RNA is a very appropriate care giver for certain clients, and we expect to see some further expansion of that.

We wish to introduce the health care aide, homemaker 3, whatever we're calling that. Right now there are structural barriers. We believe that if we got funded for the care of the client in whole and we could then put together the team that's appropriate—be that RN or physiotherapist, other therapist, a health care aide—we could be more cost-effective. So we would look forward to funding changing as well and how we deliver services to allow that to occur.

Mrs Marland: I was very impressed with a lot of what you had to say this morning, until you said you had a preference for the not-for-profit sector. I understand, of course, as you come from that sector yourself, but then you went on to talk about the importance of choice.

Frankly, in a region where the Red Cross and the VON rate came in at $15-something an hour and the private sector came in at $13-something an hour and we could have saved $650,000 if we had taken the lower rate instead of paying what then became the government rate, I have a lot of concern.

I agree with you that there should be a choice. There's any number of reasons that there should be a choice for the person who needs the service, not the least of which is that it's still a free, democratic society, and whether or not we use the services as clients or patients, we're paying for them as taxpayers.

I'd like you to explain to the committee how you support a choice and yet your preference is for the not-for-profit sector, and how you explain that for the patient who makes the choice, not-for-profit isn't necessarily less expensive and, we would hope, that through licensing and supervision and everything else, the service is going to be the same.

1150

Ms Murray: I think I said to you that our key issue is pluralism and choice, and that you can structure pluralism and choice in a number of ways. You can do it on for-profit or not-for-profit, but you can also do it with the consumer having a choice of taking services in facility or community or having it from agency A or agency B. I think how we structure choice can differ.

Specifically, let's deal with the not-for-profit and the for-profit question. What VON has said is that all things being equal, why would you not prefer the not-for-profit system? Because the surplus or the profit is being reinvested in the service and specifically, in some cases, in the local community. That's what you're getting. So if all things are equal, why would you not prefer the not-for-profit?

You're also getting added social value in the sense of the community involvement in the design of the service delivery, the governance role of local people being involved on boards, such as Guelph or the 32 other boards we have around the province.

But I think the for-profits have offered the not-for-profits a challenge in Ontario. We've had to compete with them on price. By the way, you must be talking about the homemaker program. I want to say that we have competed successfully overall with the for-profits over the last two years: We've maintained our market share of visiting nursing. They have presented us with a challenge to which we have had to rise.

That's why I believe we need to keep some choice in the system, but there can be different ways to how you structure the choice. Philosophically, the NDP has said it wants to go with the not-for-profit system; that's ultimately their choice as government. But if they are going to go that way, don't go to a monolithic or monopolistic system: Learn from the experience of other sectors, be that education, be that public utilities, be that private sector. There's something for us to learn about how to make the best system. We have not explicitly come out and said, "Don't have for-profit." We have said, "Do have choice."

Mrs Marland: Well, that's some relief.

Ms Murray: I will make sure the committee gets a copy of our position paper on this question, because I think that may help clarify. But we're saying that if all things are equal, why would you not want to have that social reinvestment and why would you not want to have that added social value of the volunteer component?

The Chair: With the last question, thought, perusal, musing or clarification: Mr Hope.

Mr Hope: Clarification: I'd ask the legal people from the Ministry of Community and Social Services if they wouldn't mind taking the appropriate place, because Mrs Sullivan had made comments about the individualization of payment. I would like to get clarification on the record for us as members to really understand what's being said about that.

The Chair: I ask you to again identify yourself for Hansard.

Mr Ian Matthews: Ian Matthews, legal counsel, Ministry of Community and Social Services.

A question arose regarding the necessity of the amendment to the Ministry of Community and Social Services Act. As section 12 of the ministry act is written right now, without the amendment, it merely permits individualized funding whereby the ministry will flow funds to a transfer payment agency to arrange for the provision of services to a disabled person.

Those services can be individualized or customized to the individual's need, but the money is not paid directly to the disabled person. The proposed amendment to the ministry act enables the minister to pay funds directly to the disabled persons to enable them to purchase their own services.

The Chair: Given the nature of this, I think just for clarification we can give Mrs Sullivan a supplementary.

Mrs Sullivan: I'm interested in that, because what was promised was a pilot project, and it seems to me that one doesn't want legislative change before introducing a pilot project. I give you in comparison, by example, the pilot project with respect to the full computerization of health cards which is now under way in the Kenora-Rainy River area. There was no need for a legislative change there for that pilot project to proceed.

I shouldn't be arguing with a person from the ministry; it should be you I'm taking on.

Mr Hope: Well, come on.

Mrs Sullivan: What I'm suggesting to you is that for a pilot, surely the government could have taken action through an order in council to ensure that the pilot could proceed rather than saying that even for the pilot to move ahead, we have to have legislative change. It seems to me that the pilot is to prove whether or not there is validity to the project so that legislative change would occur in one way or, if the pilot has failed, in a different way.

Mr Hope: Mr Chair, what does that have to do with this? This is turning into a comment more than it is a clarification of the act.

The Chair: I'm going to let Ms Sullivan finish her point, and then, if there is anything you wish to say to that, okay. But it sounds to me as though we're going to understand what has happened or not happened and that we'll just have to leave that as a difference of opinion and/or approach. If you could just bring your comments—

Mrs Sullivan: For clarification, Mr Chairman, in the debate in the House I specifically asked on this bill—

Mr Hope: But you made a comment today about the individualization—

Mrs Sullivan: Precisely.

The Chair: Mr Hope, order, please.

Mr Hope: I wanted to make sure it was for clarification.

Mrs Sullivan: Precisely, Mr Hope. In the debate in the House I specifically asked why the pilot had not proceeded. The Minister of Community and Social Services responded that there was required to be a legislative change. We have now had from the ministry an opinion with respect to the existing act about a change which would be necessary if an entire program were to be implemented. My view still remains that the pilot could have proceeded through ministerial and cabinet action on the basis of an order in council. That is how other pilots proceed.

The Chair: Is there any comment you would wish to make?

Mr Matthews: The only comment I would make is that it was our opinion that we needed legislative change to authorize funding for the pilot.

The Chair: I think we've heard those views, and we'll leave that on the record.

I want to thank you very much. As I noted before, the Chair has used his discretion in seeing the clock. By way of explanation, clearly we were given some extra time because the next deputation didn't appear. Also, as it happened, we had with both of you a local Victorian Order of Nurses as well as the provincial order. I think that was very useful for the committee to perhaps expand on some of the issues and the points. We want to thank you both very much for your time this morning.

With that, the committee will stand adjourned until 2 o'clock this afternoon.

The committee recessed at 1159.

AFTERNOON SITTING

The committee resumed at 1408.

The Chair: Good afternoon, ladies and gentlemen. I call the standing committee on social development to order. We are again reviewing Bill 101, An Act to amend certain Acts concerning Long Term Care.

ONTARIO ASSOCIATION OF
REGISTERED NURSING ASSISTANTS

The Chair: Our first deputation this afternoon is representatives from the Ontario Association of Registered Nursing Assistants. We're delighted to have you with us. If you'd be good enough to introduce yourselves for Hansard.

Mrs Verna Steffler: Sure. I'm Verna Steffler, the executive director of the Ontario Association of Registered Nursing Assistants.

Mrs Sheila Arsenault: I'm Sheila Arsenault, president of the Ontario Association of Registered Nursing Assistants.

The Chair: Just before you begin, we were joking earlier, and I know Mr Hope was here, and a few others. We're seeing a lot of familiar faces from the Health Disciplines Act legislation, so good to see you again.

Mrs Steffler: Thank you. There are so many things that are going on in health, small wonder you're seeing us frequently.

The Chair: We even have a new minister.

Mrs Steffler: Yes, I heard that today. Anyway, we are here to present today in regard to Bill 101, An Act to amend certain Acts concerning Long Term Care. About one third of the 25,000 RNAs working in our health care system today are employed by nursing homes, homes for the aged and charitable homes, so you can see why this legislation is of particular interest to the members of our profession.

In every part of the province, RNAs are the front-line workers responsible for providing basic nursing care to elderly and disabled persons living in these facilities. Our members are deeply committed to ensuring that these residents receive high-quality care and service and that provincial legislation governing these facilities supports that objective.

Our presentation today will focus on four areas: what we like about the proposed legislation, what we object to in the legislation, what has confused us about this legislation and what we would like to see eliminated or amended in this legislation.

What OARNA likes most about this legislation is the fact that it attempts to establish an equal basis for dealing with nursing homes, charitable homes and homes for the aged, which until now have been governed under different rules. Given the similarity in patient populations living in these facilities, legislation aimed at a more unified approach makes good sense and will promote equity in the system.

OARNA was also pleased by the bill's effort to address the need for increased accountability, particularly with respect to requirements for establishing service agreements, individual care plans, financial reporting and a process for reconciling the funding provided by government with proof of actual expenditures by each facility. Inadequacies in this area are overdue for reform, and Bill 101 provides an explicit step forward in clarifying the rights and responsibilities of institutional providers of long-term care service.

The fact that the province will now have the right to withhold some or all of the funding from facilities that are in breach of their service agreements establishes a clear line of authority between the funder and the service-providing agency. Although we have some reservations about the implications of these provisions, to be addressed later on in this presentation, we applaud their intent and the government's obvious desire to create a more responsible and responsive system of long-term institutional care.

In particular we applaud the bill's requirement for facilities to post service agreements and to share with each resident an explanation of his or her individualized care plan. These provisions should create a more open environment for negotiation between residents, their families and the facility's administration. By making the terms of the institution's responsibility explicit, many misunderstandings can be avoided.

Given our professional interests, we were particularly pleased to find that regulations requiring in-service training now provide for governing such training. This issue is of major importance to RNAs wishing to enhance their skills.

By establishing, through regulation, an in-house responsibility for governing training, educational deficiencies could be addressed directly by the institution. By designing and delivering purpose-specific, in-service training, facilities could encourage RNAs to perform to their full potential, while at the same time permitting more cost-effective service provision.

OARNA also supports provisions in the legislation permitting regulations governing the allocation and distribution of beds for specific purposes, classes of need, type of accommodation or level of care. One of the recurring themes throughout government's consultation on long-term care reform was the urgent need for care giver support, in particular the need for more access to respite care. While the majority of presenters seemed to have preferred in-home respite care, the availability of facility-based respite care also has a place in our system.

At the same time, by allowing regulations to prescribe the provision of preferred accommodation in each facility, the province will have a mechanism which, over time, could be used to increase the availability of single-person rooms within long-term care institutions.

As you know, the majority of rooms in homes provide shared accommodation, usually for two people. Residents have little choice in the matter of whom their room-mate is to be, and those who would prefer to have a single room are frequently accommodated only with difficulty and virtually always at additional expense.

If you think about it for a moment, it's as if I asked you to look at the person sitting next to you and consider

whether you'd want to share a room with him or her for the next several years.

Mrs Marland: Do you want the answer on the record?

The Chair: I will now poll the members.

Mr Jackson: It's kind of like having a debate at home.

Mrs Steffler: This is a quality-of-life issue.

Mrs Marland: I'll take the Chairman.

Mr Jackson: You can have him.

The Chair: I feel compelled to cry, "Order!"

Mrs Marland: I'm sorry.

Mrs Steffler: This is a quality-of-life issue, brought to our attention many times by consumers and those who advocate on their behalf for a more responsive system.

I'd like now to turn to OARNA's major points of disagreement with Bill 101. As you are no doubt aware, this legislation is only part of a much broader attempt to reform Ontario's long-term care system, which includes in-home health care and home support services, day care, rehabilitation, chronic care and palliative care as well as facility-based services. Long-term care reform also must address the need for better linkages between the long-term care system and the primary-care and acute-care sectors.

Now, after years of effort, we finally seem to be on the brink of major systemic reforms aimed at ensuring that consumers can easily move from one care setting to another according to their needs and their preferences. What's needed to accomplish this includes improved planning at the local level, enhanced funding for the community care sector so that individuals who wish to do so can safely remain in their own accommodations, new incentives to encourage the creation of multiservice agencies to reduce fragmentation in the delivery system, and better coordination along the full continuum of care.

The government says its major policy directions in long-term care will be announced later this month. That being said, it seems obvious to wonder whether the proposed legislation before us is compatible with the reform framework to be announced later this month.

As just one example, consider the references in Bill 101 to the roles and responsibilities of the placement coordinator. Currently, placement coordination services are not available in every part of the province. Where they're not available, a physician's order is required to admit a patient to a long-term care facility. But Bill 101 would establish the placement coordinator in each area as the sole authority for determining eligibility for a home, and the sole person able to authorize a particular placement. In addition, under the proposed legislation the placement coordinator would remain immune from legal action in the exercise of these sweeping powers. Is this in fact the government's intention? OARNA respectfully suggests that this is not the case.

The committee should be aware that there were strong objections by many involved in the consultation to the concept of service coordination agencies, as originally proposed by the former Liberal government in Strategies for Change and also put forward in the NDP's Redirection paper.

These SCAs, which were supposed to combine the offices of home care and placement coordination, were seen as too bureaucratic and too distant from the consumer to work well. Concerns were raised about the need to be sensitive to an individual's ethnic, linguistic and religious affiliations. People objected to the idea that a paper review was sufficient to make good decisions about facility placement. Consumers and providers argued that responsibility for placement in facilities needed to be a shared function with opportunities for consumer choice and provider input and advice. We see little opportunity for consumer choice reflected in this proposed legislation.

It is our understanding that the government's new policy framework will not identify placement coordination as the responsibility of a placement coordinator, but rather as a responsibility or function of community care agencies. That being said, we believe that sections in Bill 101 referring to the powers of the placement coordinator may need to be revised to reflect government's overall reform plans.

Bill 101 permits a regulation to come into effect retroactively. OARNA finds this difficult to justify and objects to this provision as being unfair and unduly arbitrary. Regulations should come into effect when they are filed.

Under the proposed legislation, individuals who wish to dispute a determination about their eligibility for or placement in a facility can make an appeal to the Health Services Appeal Board, provided they apply within 30 days of the decision or apply for an extension of this time limit. Should they disagree in law or in fact with the findings of the appeal board, they can lay the matter before the Divisional Court for resolution.

OARNA is also concerned that people will have to wait a long time to have their appeals heard if their only recourse is a centralized provincial body. Given the fragile status of most long-term care applicants, time may be in short supply. We would therefore like to suggest the creation of an appeals process a bit closer to home. An arm's-length appeals board could be established in each district serviced by a district health council. That way, hearings could be held in a more timely fashion in locations more convenient to consumers and providers alike.

We were surprised to find that, for the purposes of Bill 101, a quorum of the appeals board is one person. This is not an acceptable definition of a quorum, and we urge that the legislation be amended to require at least two people from the appeals board be required for a quorum.

One of the greatest disappointments in the proposed legislation is its approach to the issue of quality. Committee members should be aware that serious concerns about the quality of care provided within some long-term care institutions are widespread and have been well documented by advocacy organizations as well as by the government itself.

For example, according to a review of compliance reports for 263 nursing homes conducted by Concerned Friends of Ontario Citizens in Care Facilities, 146 had serious violations. Pre-arranged inspection visits, made to ensure standards are being met, do not appear to have resulted in meaningful improvements. The 1990 Provincial Auditor's report concluded that procedures to monitor quality of care in homes for the aged were also inadequate

and required improvement. They had reported exactly the same finding four years earlier.

1420

Bill 101 certainly does strengthen procedures for inspection, and it also provides government with the power to reduce or even withhold funding from facilities that fail to fulfil their service agreements. The problem is that this approach, relying on inspection and financial penalties as the major mechanisms to improve quality, doesn't work.

Experts in quality from industry, and more recently from health care, have made this very clear. Inspection processes invariably create a climate of fear and blame and actually promote dissembling, data tampering and other similar efforts to escape punishment. I've enclosed a copy of Dr Don Berwick's article from the New England Journal of Medicine on this subject as additional information on this important topic.

Current thinking about quality suggests that our present health and social services system relies too much on sticks and too little on carrots. The result is a system filled with resentment and fear of retribution. There is strong motivation to hide problems and deficiencies. Key problems remain unresolved.

More modern management techniques aimed at improving quality use a completely different approach. So-called total quality management and continuous quality improvement recognize that a system built on inspection—what is, in effect, a hunt for bad apples—is counterproductive. Instead, these newer approaches focus on consumer satisfaction and a team approach to problem-solving. They assume that quality is a shared responsibility and that its improvement lies in designing better systems and processes for delivering care rather than laying blame and punishing individuals.

What would be more productive, from our point of view, is a system geared to rewarding facilities that have found ways to serve their customers better. These rewards would be tied to funding or other incentives such as increased opportunities for continuing education.

Bill 101 would also require facilities to develop a quality assurance plan, but here too the definition of the plan as a system of monitoring quality is totally inadequate. Monitoring quality is only one element necessary for its improvement. To actually improve quality, an action plan must be developed and implemented when monitoring shows there is a problem. The bill should therefore be amended to reflect the need for a more comprehensive quality assurance plan, including a requirement to establish monitoring based on sound measurement techniques and a requirement to take action on those deficiencies in quality identified by the monitoring process.

In addition, OARNA believes that monitoring resident and family member satisfaction is a key element which should be included as a requirement in any quality assurance plan. We are also convinced that information about the quality of care provided in each facility should be publicly available.

Now I want to address a number of elements in Bill 101 that have confused us and left us uncertain about the government's intention with respect to long-term care reform. Many long-term care facilities have responded to the need for more formal mechanisms to obtain resident input by creating permanent residents' councils. These councils serve to bring to the attention of management a variety of issues and concerns from the perspective of consumers.

Reference is made in the section of the bill dealing with the nursing homes to existence of residents' councils and their right to receive copies of the service agreement and to be informed about the rights of residents with respect to receiving copies and an explanation of their individual care plans. However, residents' councils are not required by this legislation, nor is there any reference to them in sections of the bill dealing with charitable homes or homes for the aged. Is this intentional or is it just an oversight?

People seeking admission to a long-term care facility apply under this bill through a placement coordinator. The bill permits regulations to be developed which would establish the frequency with which applications could be made. Presumably this implies that if an individual has been found ineligible for placement in a home, that person must wait for a certain period before applying again for admission.

The problem with setting arbitrary time limits for reapplying for admission is that an individual's health status and other circumstances, such as the death or incapacity of a family care giver, could occur at any time. Setting a time limit on the right to reapply for admission does not appear to recognize this.

Bill 101 makes no reference whatsoever to the involvement of physicians and other health professions caring for residents. We're uncertain about what implications should be drawn from this omission.

Bill 101 has a series of clauses dealing with the issue of charges to residents—prohibiting, for example, charges for accommodation or care and services that are higher than the amounts stipulated in the regulations.

This has confused us. The government has given assurances that residents will never have to pay any user fees for the health and personal care services provided within institutions. However, the proposed bill appears to leave the door open for this to change. New regulations could be filed establishing fees for such services. We are wondering why the bill is not more explicit in forbidding user fees for any health or personal care service received in a nursing home.

You'll see, on page 8, all the recommendations that have come out of what I've just said. That's basically our response, Mr Beer.

The Chair: Good. Thank you very much. We have a number of questions. I would just note, with members of the committee, that we have a full afternoon, so the largess I had this morning will not be quite as large. We'll begin with Mr Hope.

Mr Hope: I was interested in your presentation today and I'm just curious about a little bit of clarification when you're talking about providing service agreements. I take it you're in support of service agreements being in place.

Ms Steffler: Yes, so that people know what it is they're getting in that institution.

Mr Hope: Why I ask that just for clarification is that earlier in the presentation, as you know, we were getting a number of different presentations before this committee and there were some from the Ontario Nursing Homes Association. They're quite opposed to the service agreements being in place as regards the function, maintenance and equity around the service aspect. I'm wondering, why would there be different viewpoints between the nursing profession and the administrative profession?

Mr Jackson: Mr Chairman, in fairness, Mr Hope may not have caught this correctly, but that is not what they said. They said that they and this committee had not been privy to a sample of it, but I was here for the presentation and they did not say they objected to it. It would be helpful if the assistant research director clarified that or someone else.

The Chair: We would have had it in the Hansard, certainly.

Mr Steffler: I would personally hope they would support it, because I think people have not known what they were entitled to before entering an institution and then suddenly finding, "This costs me money and that costs me money." People should know upfront, so they should have an agreement that says what's going to be provided.

Mr Hope: The other question that was brought up—you're talking, reflecting the profession you represent. You also, in your brief, presented some issues dealing with the client.

In here, in a presentation that was made earlier to us, it says that the inspectors should not have access to personal records when they're doing a review of the quality assurance programs. Should that information, with the quality plan that's put forward, with the information that's available in a home, be available to an inspector? I just want your viewpoint.

Mrs Steffler: If you're talking about a resident's personal chart that says what type of care he's getting and so on, I would say yes, they should, because how do you do a final analysis of the quality of care if you don't use all avenues to assess that?

Mr Hope: I was interested in what you were bringing out when you said that we should, maybe instead of using a stick, use a carrot. Then I'm wondering, how do we get to the bottom of all the information if the information is not all there to obtain?

Mr Steffler: I think also they're talking about a better quality of care system where you're addressing and trying to improve things. That is what I guess I was trying to get across because we've used the stick approach where we go in and do an assessment and then there are all these recommendations and people must abide by them and so on. We're looking at it from the wrong direction. We should be trying to promote the institution to provide better quality care and then become an example to everyone else instead of the bad stick.

Mr Hope: I noticed you focused on—

The Chair: I'm sorry. I'm afraid we are a little tight this afternoon, so I'm going to have to move on.

Mrs Sullivan: Thank you. Because we are tight, I'm going to concentrate on your comments with respect to the placement coordinator. As you know, this government and the previous government have been attempting to find a balance between the concept of a one-stop shopping operation or the go-direct, which has caused some concern for people who are seeking appropriate care.

We were surprised, frankly, with this legislation to see the extent of the power of the placement coordinator which Bill 101 provides. Indeed, it appears that the placement coordinator would have additional responsibility that would override patient choice or resident choice. We have asked for a clarification of that. We've been assured that this is not the intent, but this is what the legislation says, so we've asked for a clarification of that.

1430

In your paper you speak about the appeal process and you indicate that individuals who wish to dispute a determination about their eligibility for or placement in a facility have the right to make that appeal. In fact, that's not what the legislation says. It says that they can appeal their eligibility, but they can't appeal the place they are put in, which is why we have asked for that clarification. This brings us back to the original point you make: How do you deal with an implementation bill when you don't have the strategy yet and the original goal paper there to deal with?

The other aspect I'd like you to address on the placement coordinator is that under Bill 101 the placement coordinator appears to be attached to the facility. What we can't figure out is, if you're going to a community role in terms of developing a full long-term care implementation, how that can be done if you're also attempting to bring into play some of the ethnic, cultural or religious requirements where a facility may be outside of that geographic area which is covered. Can you comment on that and suggest how you see the role of the placement coordinator? Is one facility, by example, going to have perhaps 100 placement coordinators attached to it?

Mrs Steffler: Actually, we see it better. The district health councils have regions and you have coordinators within them, but I don't see them being connected with any one institution.

Mrs Sullivan: That's what the bill says.

Mrs Steffler: As long as they're connected with an institution, they're going to make sure that institution has always got its beds occupied. It has to be external to be an independent body, but our biggest problem is that one person as a coordinator has that control. That might not be so difficult in some areas, but I live two lives. I live in the city during the week and in a small community on the weekend, and I can tell you that in a small community where everyone knows everyone, if you had a conflict of personalities, I might have a problem getting into a home because my placement coordinator doesn't happen to like me. That's one of the major problems we see with one individual having that kind of power that says, "Yes, you can go into a home," and, "No, you can't go into a home." It needs to be made up of more than one person.

Mrs Sullivan: I didn't mean to imply, by the way, that the placement coordinator would be in the employ of the facility, but under the act the coordinator would be responsible for placements to that facility. The concern was that if we were looking at, say, a regional funding envelope, ultimately, or a regional delivery of long-term care and, by example, a home that deals with, say, a Chinese community, is located outside of that geographic region, how is the placement coordinator then going to function on a community basis which is geographic and also on a community basis which is ethnocultural?

Mrs Steffler: That's the big problem you have with any kind of laws you set down, that there are always the people who are caught in the grey zone who should be, if you're talking about an ethnic group, preferenced in what home they want to go to. If it's their local home, one that's, say, Chinese, then those options have to be looked at. You have to look at people as people, not as "You're in this area and you can't go anywhere else."

Mr Jackson: I'd like to build on that, because in the last four or five years, literally the only nursing home licences that were extended were to ethnocultural-based, non-profit, charitable organizations. We do have a fair number of them and they're tied in to the accumulated wealth and caring of that particular ethnocultural community. So that begs some larger questions that you're not getting into but that I wish we had more time to explore, because what is "equity" and what is "equitable access" and what is "fair and reasonable"? However, thank you, both Mrs Sullivan and you, for getting into the subject.

I want to pursue the item you identified on page 7. I agree with many of your concerns as expressed in the brief. I've referred to long-term care as three shoes that have to drop, and we've only seen one hit the floor; we're still waiting for the other two. I believe you concur with that. There's a lot we're accepting on faith here.

I didn't catch this business of the oversight of the residents' council, and thank you for bringing it to our attention. I sat on the committee last time we opened up the Nursing Homes Act. It was a minority government and I remember it extremely well. I remember the lobbying that David Cooke, the then Health critic—he fought long and hard for this. So in the presence of our deputants, I would personally like to ask the PA if he'd undertake to get a definitive statement as to whether it was an oversight or whether it's the intention to involve the residents' councils with this information, and that is a mechanism which we see working hand-in-glove with the legislation.

Mr Wessenger: Certainly that'll be noted. I think the ministry's staff may take note of that.

Mr Jackson: I'm sort of used to something a little more proactive than simply noting it. Would you undertake to get back to us with an answer?

Mr Wessenger: I'll certainly request an answer.

Mr Jackson: But you're not making any promises. Okay. Just so we understand each other.

Maybe you didn't dwell as much as perhaps I thought you might in terms of a service model versus a medical model in terms of assessment and placement, and certainly with your nursing background and the kinds of services you provide, you're probably more concerned about that aspect of it—unless I missed that or it was the first part of your brief as I was walking in, a bit late; I apologize.

Mrs Steffler: I don't think there's a great deal in here other than—we were talking about the educational aspect of it.

Mr Jackson: But in terms of linking your skills with the client's needs, we've received some concerns about there not being a more comfortable link between client need and the services provided, that more and more of that care could be done by persons with less professional standing, if I can put it in those terms. Did you get a sense of that in reading this, or have you talked to some allied professional groups about this subject, and do you want to take a moment just to share that with us?

Mrs Steffler: Yes, I think I got that idea out of it all right. I have a bit of a concern about having people who are not properly prepared to provide care, because the residents in these institutions are not the residents who were there 10 or 15 years ago. They are now the more handicapped. With keeping people at home, I see that people in institutions are going to require total patient care. They're not going to be capable of doing an awful lot for themselves.

Therefore, you're looking at a higher level of need of the client than you have now or had 10 years ago, and I believe it is important that we have people who know how to deal with the client, with the appropriate preparation to do so, and have a centred attention in the elderly and their problems.

The Chair: Thank you very much, Mrs Steffler. I'm afraid we're at the end of our time, but we appreciate again your coming before the committee, and your presentation.

Mrs Steffler: Thank you very much. Good luck.

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OSHAWA DEAF CENTRE

The Chair: I would now like to call upon the representative of the Oshawa Deaf Centre, if you would be good enough to come forward. Welcome to the committee. Have a glass of water, if you would like one, and perhaps you would be good enough to introduce yourself for the purposes of Hansard. Please go ahead when you're ready.

Mrs Betty McPhee: I'm Betty McPhee. I'm the executive director of the Oshawa Deaf Centre. I'm here today speaking as the executive director of the centre, where they're offering, as you can see in our mission statement, quality programs and services that promote self-reliance within the deaf and hard-of-hearing community. But I'm also here speaking as an individual who has deaf parents, of whom my mother is 86 years old, so that directly impacts our own family in that situation as well.

The deaf centre takes a very strong role in advocacy related to issues that impact the deaf community, and on our board we have up to 50% or often more deaf representation, so we have very strong consumer representation.

I'll just briefly outline the first part of the brief. As you probably are all aware, the deaf community has a very strong cultural base and shares a common language and

culture. English is a second language. The deaf community doesn't define deafness as a medical condition and does not treat deaf people as pathological. Rather, the deaf community is viewed culturally as a community that shares common values, customs and language. The important aspect is that a deaf person can do everything that a hearing person can do except hear, and the important question is, how does this affect the ability to communicate? The answer is that it simply doesn't. The communication is different. It's visually based. It may make the person different but certainly not inferior.

In providing services to meet the needs of the deaf community, it's imperative that cultural and linguistic needs are considered top priority. For many people in the deaf community, their real family is not their birth parents and siblings, but other members of the deaf community, and that's simply because, how can you form a deep and lasting relationship with somebody you can't communicate with? Family members may try to learn sign language and some become fluent, but unfortunately it's a small minority and at best families communicate on a very superficial level with their deaf child, brother or sister. So we find that deaf individuals are continually trying to adapt to a society that makes few exceptions for their differences.

Parents of deaf children have often not accepted the fact that their child can't hear. They spend most of their energies directed towards fixing the problem and trying to make their child hear. Deaf children have been placed, as you are probably all aware, in settings that sometimes are set up to educate them orally, often without success. Case after case has been documented where a deaf child finally feels at home when he's given the freedom to communicate naturally through visual language, and this most often occurs in residential schools or with other members of the deaf community.

Children of deaf parents have grown up in a deaf cultural environment communicating through American sign language, and I'm one of those children. Children of deaf parents in the past have often been expected to be the family interpreter and the go-between for their parents. In the past, they've often had to take responsibility in terms of bank transactions and dealing with medical and emergency situations. Children of deaf parents often feel resentment over having heavy adult responsibilities placed on them at an early age. Although the role of professional interpreters has changed the situation, the shortage of interpreters and lack of awareness and education often means that this situation continues to exist.

When an adult child of deaf parents marries, the hearing family often has very little or no knowledge of American sign language. Communication barriers then influence the relationship between family members—between the son and daughter-in-law or the grandchildren.

In this context, biculturalism means just simply hearing and deaf. Members of the deaf community often comment that at family gatherings they feel very isolated and lonely. When my mother comes to visit me, she can communicate with me alone, but she can't communicate with any of my family, my husband or my children, just very basic, "Hi, how are you," you know, a very superficial kind of relationship they can have. So it's very difficult for hearing family members, and when communication happens, it's usually an abridged version. This is a really difficult and frustrating experience for deaf persons, resulting in isolation and alienation from their own family.

It's unrealistic to expect hearing family members to take the responsibility to care for deaf members in their old age. For many, this is a very stressful situation, and having to be responsible for their own hearing family and then perhaps being the only one to deal with their parents who are deaf, this is intolerable and sets up a situation where it opens the door to elder abuse.

An environment without access to communication is linguistically bankrupt. Oliver Sacks, who is a famous neurologist, says in his book Seeing Voices that an environment without language can lead to short-term and long-term memory loss. Again, this is an extremely isolating experience comparable, if you will, to solitary confinement.

Deaf adults look to other deaf adults for family support, and sharing the same culture and language, they form very close family connections and lasting relationships.

It's with that in mind that we've come to look at some of these recommendations that we've proposed for long-term care in Bill 101. In March of last year, we had a consultation to deal with some of the changes that were identified in long-term care.

(1) Proposed service coordination agencies must be sensitive to the psychosocial needs of the deaf senior and focus not only on medical needs. This most important factor which contributes to health in the life of a deaf senior just cannot be ignored. While this isn't such a critical issue for a hearing senior, it's of utmost significance for a deaf senior. It can't be compared equally to an ethnic group, since an elderly French- or Spanish-speaking person has access to that spoken language through hearing. But a deaf individual relies on visual communication, on American sign language, and doesn't have equal access to the learning of a spoken language simply because they're unable to hear. Deaf seniors require care within their own culture and environment to meet their physical, social and language needs.

Bill 101 states that placement coordinators designated by the minister will determine whether an applicant for admission is eligible. We feel eligibility requirements for deaf seniors must be different than for the hearing population. They must be extended to include psychosocial needs.

In terms of criteria, criterion 4 states "consumer at immediate/ongoing risk of financial and/or emotional and/or physical abuse if left in current situation." For the deaf community, being in an environment where there's not full access to communication must be considered a factor contributing to emotional abuse.

Criterion 6 states "community services are not available or sufficient to enable the consumer to remain at or return home and there is no sufficient residential or supportive housing alternative." It must be clear that for the deaf senior the only sufficient community services are those which are fully accessible, where staff can communicate with fluency in American sign language and where there is

access to interpreters. These services must also have the expertise and understanding of deaf culture.

Criterion 8 states that additional supports are not available, sufficient on their own or sufficient in combination with other services to eliminate the need for admission. Additional supports must include communicator and interpreting services and technical devices, for example, TTYs, flashing alarms etc. A TTY hotline set up specifically for deaf callers would be appropriate.

Criterion 10: To focus only on medical needs for the deaf senior is to ignore one of the most basic of human needs, to be able to understand and be understood, to communicate. For a deaf individual who does not have a medical need but is isolated within a hearing world, this is far worse. This contributes to loneliness, despair, depression and a sense of hopelessness.

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(2) How will the process itself be accessible to deaf consumers? How will the needs of the deaf and deaf-blind be met? Who will pay for these services? And will the process of determining eligibility and admission rely on written English? We don't believe that these were addressed in the document.

A designate placement coordinator, preferably culturally deaf, knowledgeable of the deaf community and fluent in sign language would ensure this process is accessible. The appointment of this person should be approved by the deaf community. An assessment tool needs to be developed with consumer involvement.

Policy needs to be formulated outlining communication standards required and how to assess or evaluate communication ability. Policy needs to be formulated outlining qualifications required for professionals working with the deaf community. Consumers must be consulted when formulating policy and setting standards.

Committees involved in policymaking processes or recommending recommendations are not valid unless 50% to 75% of the committee members are deaf adults, those who are very familiar with deaf culture, ASL and the general life of deaf people as well as the person's immediate family members.

In the past, government and community service officials—usually hearing—made decisions on behalf of deaf children and adults. We must not continue to revert to past practices, but we must involve the deaf community in the important decision-making process. The definition here of "deaf community" would also include family members and friends and those people who are knowledgeable about deaf culture and American sign language.

(3) Centres such as the Bob Rumball Centre for the Deaf and the Oshawa Deaf Centre have the knowledge and expertise that the government requires in defining, assessing and serving this unique population and must be consulted. Funding must be available to meet those needs.

We're aware of the high cost of providing specialized services, and we also know that there's a shortage of qualified sign language interpreters and trained health care professionals fluent in sign language. It would seem that given the shortage of government funding, it would be cost-effective to allow agencies such as the Bob Rumball Centre for the Deaf and the Oshawa Deaf Centre—however, we know that the Bob Rumball Centre is specifically providing services to seniors—to continue to provide a continuum of care for all deaf seniors. This will enable deaf seniors to be independent within the community and will provide the services necessary to access the community.

Ultimately, deaf seniors should have a choice where they choose to live. They have a right to fully accessible services. There will be those who choose not to live in a centre such as the Bob Rumball Centre; therefore, local community centres should be accessible to them. However, it is important to note that for many in the deaf community, the community is where the other deaf live.

Deaf individuals will often travel a long distance to events throughout a city, a region, a province or even nationally to attend other deaf community events, so it's entirely consistent that deaf individuals would make the same choice when choosing where to live in their senior years. Do we impose limits as to how senior deaf members of our society define their community?

For those who are able and who choose to remain in a particular geographic location, it would be cost-effective to purchase necessary services from community-based agencies providing services to the deaf community.

To become fluent in sign language is a lengthy process. For a hearing person it's more difficult than learning another spoken language such as French or Spanish or whatever. Taking one or two courses doesn't make one fluent and certainly not an interpreter. Interpreting is a skill that takes at least five to seven years. You can compare that to asking someone who knows a little bit of French or Spanish or whatever to interpret in court, or for a doctor, making a diagnosis or prescribing medication. It's a very dangerous situation.

It's entirely unrealistic to think that many professionals in local communities can be trained to do this job. What about staff turnover? Training and retraining costs money, without any guarantees that appropriate standards are being met. It's practical and realistic to provide funding to allow the experts to continue to do their job.

For those individuals who do choose to remain in their homes where it's difficult to access interpreters and where there's a communication barrier, one solution would be to provide transportation to bring the seniors to centres for programs. Positive solutions would be wheels to meals, volunteers such as friendly visitors from the deaf community, and setting up a deaf human service worker program. There is one in Winnipeg currently, and it could be introduced at the community college level.

Finally, consumers must be involved and consulted and it must be an ongoing process. Consumers must be fully represented to ensure that the needs of the deaf community will continue to be met. Planning must ensure that there will be representation from groups such as the Ontario Association of the Deaf in order to plan ahead so that they can ensure that there will be an interpreter available.

In conclusion, the three most important things we want to bring out that need to be included are full accessibility, eligibility criteria to be expanded to include the psychosocial needs of the deaf senior, and finally, that the deaf

community must be involved and consulted in the decision-making process and in formulating policy and setting standards.

The Chair: Thank you very much for a very full brief. I think we have a couple of deputations with respect to the needs of the deaf, but you have really outlined a full agenda. We'll begin the questioning with Ms Fawcett.

Mrs Fawcett: Thank you very much for your very full, descriptive brief. I think this is indeed a different look for us, and we need this because there is that community, and especially the deaf seniors who do require specialized care in their own culture and environment to make sure they are comfortable in all ways.

I wondered as you were going through your brief whether you feel that there was consultation around the long-term care reform as far as the deaf community is concerned. I'm not really familiar whether the Bob Rumball Centre was consulted. Were they very much involved here? If not, I guess we should make sure that in future they are.

I wonder, too, what services are currently in place, if any. Are they very sketchy or are they available to seniors right now? Because certainly there are a lot of things we take for granted, and that's not right.

I wonder, too, if the deaf should be included in the new suggested funding formula for the disabled where the money would be directed to them so that they can then purchase the necessary services that they need.

Those were a few thoughts that I had as you were going through, and then I think my colleague has a question as well, or did I take your question? I'm sorry.

Mrs McPhee: There has been consultation. As I said, the Oshawa Deaf Centre had a meeting to talk about long-term care.

Mrs Fawcett: Are any of the results in the bill?

Mrs McPhee: Not really. Well, it's vague. It's hard to know, in terms of the placement coordinator, who's going to make the decision, and the eligibility criteria are still a problem. For example, my mother is 86 years old. She's in good health; she's probably in better health than I am. She's living in her own apartment. She's very lonely; she's in Vancouver, and no one can communicate with her. There is the Bob Rumball Centre for the Deaf, which provides residential care to seniors, but you don't have to be sick to move there right now and she would like to move there.

Mr O'Connor: Where is that?

Mrs McPhee: On Bayview near York Mills. She would like to move there. She can come and live with me and our family, but that's not going to be good because I'm not there all day long, and no one in my family can talk to her. Even when I am home, I'm so busy in my home doing everything else that it's unfair. When she comes to my place I'll be talking to my family and she'll ask me, "What were you talking about?" Then I have to stop and I have to go through it all. Of course, it's not going to be the whole conversation, and she's very frustrated, feeling that she's been left out. It would not be fair to her.

From what we understand, the eligibility criteria would change and she would have to be in poor health, sick, needing medical care in order to move in, so that now her needs are not going to be met. She will not be able to move into the Bob Rumball Centre.

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Mrs Fawcett: Either we should certainly make sure that the placement coordinators are in tune or we should have a person fully interpretive and so on as a placement coordinator for this group.

Mrs McPhee: One very positive solution to that would be to designate someone at the Bob Rumball Centre who would be a placement coordinator for the deaf community.

Mrs Fawcett: For the deaf community.

Mrs McPhee: That would be one of our recommendations. We mentioned that someone who was culturally deaf would be most appropriate.

Mrs Marland: I'd like to congratulate Ms McPhee. Obviously, the Oshawa Deaf Centre is very fortunate in having you in your position as executive director. I appreciate your sharing with us, on a personal basis, your own family experience because I think it helps all of us understand if we haven't had that experience. It just means more when we hear that from you directly.

I must say that I'm absolutely floored that you're here with your conclusions and with your recommendations saying that the deaf community must be involved in the decision-making process. It would have been my assumption that you would have been involved. I don't know if you've never been involved or you just haven't been involved in this piece of legislation, but it's common sense.

Right now I'm advocating on behalf of a constituent who has some other disabilities, including the fact that he needs two hearing aids. When he was on general welfare assistance, the government paid for his hearing aids. Now he's got a little part-time job. He's actually developmentally disabled. His mother's pleading for the $600 for his second hearing aid and they've discontinued the funding for the moulds and the batteries. I'm thinking, if you need a hearing aid to function, it's really the same as needing insulin. We go through all these arguments about—it's a little bit off long-term care, Mr Chairman, but I'm just expressing my frustration because I feel anyone of these communities who come under the whole system of long-term care or our health care planning in the province, which includes long-term care, as far as I'm concerned, it floors me every time I come across one of these major gaps where somebody needs two hearing aids and they pay for one. I can't believe that's the situation we have in the province today.

I don't have any questions for you except to say that I'm very glad you're here. I hope that the government is glad that you're here and recognizes that you shouldn't have to be here saying we need to be involved in decision-making in terms of policy and future planning for the deaf community of this province.

Mrs McPhee: I think one difficulty is that often the deaf community is lumped with the disabled. The needs are very different and you cannot lump the deaf community because of the communication needs. You just can't lump them with the disabled.

Mrs Marland: No, I agree.

Mr White: I'm very glad you are here, Ms McPhee, representing your community and mine. There were a number of things I wanted to pick up with you on. I'm not going to be able to have time to do them all, but one of the issues I wanted to address briefly, first off, was the mention you had of the need for housing for seniors from the deaf community. I'm wondering if some of those people, like your mom, might be accommodated in the supported housing that the ODC is lobbying for in Oshawa.

Mrs McPhee: That's one of the reasons why we have a housing project proposed for Oshawa, because it would give an opportunity for deaf people to live in close proximity to other people they can communicate with, and that's very important, and then the Oshawa Deaf Centre can provide services as needed.

Mr White: That makes those services available and accessible to those people who otherwise would be too far away.

Mrs McPhee: Right.

Mr White: I'm sure that Ms Carter and Mr O'Connor heard you.

You've mentioned the Oshawa Deaf Centre and the Bob Rumball Centre, which offer excellent services, but is that kind of advocacy available in other areas, such as Lindsay, Peterborough, Timmins, at the same quality?

Mrs McPhee: That's why we feel there's a need to do community outreach and to have the friendly visiting program. We're aware right now of deaf seniors who are living in existing homes for the aged in the Durham region and they're there, to my absolute disgust, really without any communication support at all. I don't know how the people who run the homes accept them because there's no communication support there for them at all. They basically live in an environment where no one with whom they live can talk to them.

Mr White: I think the issue—

Interjection: Solitary confinement.

Mrs McPhee: That is solitary confinement.

Mr White: I think the issue you bring up, the psychosocial needs as opposed to the medical needs, is very important here.

Mrs McPhee: It's critical.

Mr White: Absolutely. Thank you.

The Chair: Ms Carter, you can have a short question.

Ms Carter: I certainly don't quarrel with anything you've said. I think Gary Malkowski, who is not on this committee but I have shared a lot of the news with him, has educated us all as to what the true nature of being deaf is. I think the real point is to understand that it has to be treated more like ethnicity than it does like a disability.

If deaf seniors could go to appropriate placements, in theory this would not be any more expensive than placing anybody else. They would just have to go to a place where their culture was present rather than the hearing culture. I think the question of funding doesn't really arise once the appropriate centres are there.

But if all deaf seniors could have access to appropriate accommodation where they could use sign language and so on, how much expansion would be needed to accommodate that? Would we be looking at very large changes there?

Mrs McPhee: I think increased funding would be required for interpreters to access the community.

Ms Carter: Once they were outside the institutional environment, yes.

Mrs McPhee: I think it's difficult to project at this moment because we know that the population of seniors is growing and so the need is going to continue to grow. We know that, and the demographics are changing.

Ms Carter: Is time up?

The Chair: Time up, I'm afraid.

Mr White: How unfortunate.

The Chair: Thank you very much again for coming and for your very thorough brief.

Mrs McPhee: Thank you.

MULTICULTURAL ALLIANCE FOR SENIORS AND AGING

The Chair: I'd now like to call the representatives from the Multicultural Alliance for Seniors and Aging, if they would be good enough to come forward. Welcome to the committee, gentlemen. Once you're settled, if you would be good enough to introduce yourselves for Hansard and then please go ahead.

Dr Fred Sunahara: Mr Chairman, my name is Fred Sunahara. I'm the present chairman of the Multicultural Alliance for Seniors and Aging. I'm also the president of a Japanese Canadian health care group called Momiji Health Care Society and we are part and parcel of the MASA organization.

This afternoon, the three of us would like to make a very brief presentation on some of our concerns with Bill 101. I'm joined by Mr Sam Ruth. Many of you would know Mr Ruth. He's been associated with the Baycrest Centre Foundation of Baycrest Centre for Geriatric Care for many, many years. He has also been the chairman of the Metro homes for the aged advisory committee. He is the past president of MASA. Also with me is Professor Dimitrios Oreopoulos who is the president of the Hellenic Home for the Aged, which is right now in the process of building a nursing home. He is also a professor of medicine at the University of Toronto.

First, I'd like to ask Sam if he would give you a very brief background on MASA and the sorts of things that we are attempting to do.

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Mr Sam Ruth: I'll try to cover 46 years in a very few minutes.

The three of us really represent 75 years of collective professional and volunteer work in the field of aging. As Dr Sunahara said, our work goes beyond our own specific organizations. For the purpose of our organization, some of us have been long-standing. We've been here for many years just to assist newcomers. This province of Ontario will always be getting newcomers of different ethnic

groups. We are more than aware that all parties, Conservative, Liberal and NDP, have supported multiculturalism. We want to be sure that this is not in any way diminished, so we want to present some of our points to you to help you help us to keep these organizations going.

The ethnic groups and religious groups go back to the 1800s, when the Sisters of St Joseph started Providence Villa. At that time, there was no money, there were no funds and no capital grants. However, the idea was that this was needed and the ethnic groups had flexibility and they did that. Thereafter, I think the Jewish health agency came on stream in 1918. Once again there were no grants; it had to be done. After that, we found that there were a number of other groups. We represent 25 ethnic groups.

In the province of Ontario, you've been told before, there are about 60,000 long-term care beds, about half of them profit and half non-profit. A good majority of those in the non-profit have been developed by religious and ethnic organizations. Because of our backgrounds and because we formed a partnership with government, we were allowed to develop services. There were no strings attached. There wasn't government money available. We were given permission to go on our own and start services which came out of the partnership of our communities and government—a good deal out of our communities.

We're now faced with many people growing older. I'm long past 65. I look very good; thank you. I think as a group we really brought vitality. We developed programs for long-term components. Part of this was done because we had the flexibility to support. What we're worried about, and Dr Sunahara will talk to that, is, will we be boxed in by all of these regulations? We don't understand these, because none of this goes into effect till the regulations are written, and how they affect us, we don't know, but we're concerned about that.

We don't want to be homogenized. We come from different backgrounds. We come from different cultural groups. We are Canadians. Many of us have fought for this country, for our country. We're not second-class citizens. We know that we're Canadians. On the other hand, our parents and some of our fellow people have specific cultural needs. Most people coming to this country now will have them in the future. We feel that all of us want to protect that and we want to be sure that we assist you in doing that.

Looking at the regulations, to the best of our ability, we know you're trying to balance budgets and you're trying to do a number of different things. I think the contributions that the ethnic groups have made—we talk about going into the community. That was developed by ethnic groups. Day care programs, home care programs, special day care programs—we were able to do this because we had the flexibility. No one told us, "You can only do this." We always felt we could do more.

There's no doubt a nursing component in our homes for the aged and our ethnic homes and we certainly don't want to warehouse them. That's where ethnic groups come in all the more responsible to meet their cultural needs.

We say that even though there's a nursing home component, there's still a lot of living and that's related to their cultural values. We want to reinforce that and we want to assist you to do that.

Dr Sunahara and Dr Oreopoulos will indicate to you that on the point of Dr Oreopoulos, there's some hope we have of some capital grants to non-share capital groups. We want to support you on that. Dr Sunahara will indicate to you the problems we think we might face in these placement centres.

I think as evidenced before, we want to thank the previous speaker. I don't hear too well. I thank her for her presentation on hearing and also the fact that she spoke about her aged mother. That's what we're here to talk about, to be sure that the very special services that ethnic groups need are not in any way homogenized or taken away from them or diminished, especially when they have more growing needs and there are more of us.

Dr Sunahara: Thank you, Sam. I want to thank the committee for hearing us out. We appreciate the work that you've done on Bill 101. I think there are a number of points which you brought out and clarified for us and I think this is a help. There are a number of serious concerns that MASA has with regard to some of the stuff that Mr Ruth has pointed out, and I wish to elaborate on just one item in the next few minutes.

Mr Chairman, we're very concerned or troubled by the proposed implementation of the placement coordination services. According to this act, "The minister shall designate one or more persons...or other entities as placement coordinators for the purpose of this act." For each long-term facility the minister shall designate the placement coordinator who may authorize the admission of persons to that home. A person may be admitted to the facility only if the placement coordinator has determined that the person is eligible for admission and the placement coordinator designated for the facility has authorized the admission of that person to the facility.

The final point I wish to comment on is that the long-term care facility shall admit a person who meets the requirements of the previous section, unless a ground for refusal of admission prescribed by the regulations exists.

We're very concerned that the proposed placement coordination system will erode the multicultural nature of many of our long-term care facilities in this province. The legislation suggests that the admission will be based only on the applicant's health care requirements with little or no consideration of social needs, such as need for an environment which is sensitive to culture, religious and linguistic preferences.

Our experience is that the Senior Central Housing Registry in Metropolitan Toronto supports this interpretation. While designated to coordinate applications for tenancy with vacancies in the subsidized housing, the registry's decisions are based only on the applicant's need for financial assistance and shelter. The registry's criteria pay absolutely no regard to the ethno-specific environments which the multicultural communities have developed. We fear that this system will be introduced into the long-term care process.

Since we have no knowledge of the proposed regulation, we believe that it is instructive to examine the new

application forms contained in the draft Long-term Care Facility Programs and Services Manual. This is a 19-page document. It contains all manner of questions concerning the applicant's need for physical care, record of hospitalization, use of community services etc. There are only two questions related to the applicant's ethnic background or his linguistic ability, which takes up four lines in this 19-page form, and this is sandwiched between two questions about the individual's alcoholic beverage or smoking preferences. I think this is ridiculous.

The guide for completion of the new application form states, "The program and services of long-term care facilities are developed primarily for elderly persons with functional and/or behavioural problems and insufficient supports who require or could benefit from these services, programs and/or secure environment." This does not speak to the religiously, culturally or linguistically sensitive environment which communities have developed for their frail elderly.

Bill 101 further states that the long-term care facilities must admit applicants approved by the placement coordinator unless grounds for refusal exist in the regulations. We would like to ask what these grounds for refusals are. What assurances can you give the multicultural community that the multicultural fabric of organizations and facilities they have developed, to which they have contributed hundreds of millions of dollars and hundreds of thousands of volunteer hours, will be sustained? We see no evidence that this is the intent of the proposed legislation.

If we cannot service our ethnic clients in our respective communities, the latter will be reluctant to respond to the needs of their frail and aging. The volunteers may disappear because there is little incentive for them to contribute their unique talents. Finally, a very significant monetary contribution from our respective ethnic communities which we presently enjoy will dwindle. All of these factors will no doubt increase the cost of services of seniors' care to the government.

In short, we fear that the ethnic seniors will be abandoned by this legislation, that the system of care we have worked so long and so hard to build will be dismantled. We would respectfully request that this aspect of Bill 101 be revisited and revised so that it will ease some of our deep concerns.

Now I would like to ask Dr Oreopoulos if he would make a comment.

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Dr Dimitrios Oreopoulos: I did not come up with a written presentation, but I was impressed with the comment that Ms Margaret Marland made to the previous speaker that personal experience is something worthwhile to present, so I will share with you how I ended up being in front of you today.

I am a very busy practitioner and work at Toronto Western Hospital. Back in 1986 they asked me to come and see a Greek patient with whom they couldn't communicate. She was an 80-year-old lady with a stroke, and she couldn't communicate. I saw over her bed four terms, the Greek for, "I'm hungry," "I'm in pain," "I need the bedpan" and "I'm thirsty." The nurses were trying to understand what she was saying in Greek, and that was all her communication. That was going on day after day. We couldn't place the lady in another centre, but the situation would have been the same.

That was the moment, the turning point in my life, when I decided to get involved in community work. I wanted to do something to change the situation, at least for my Canadian compatriots.

There was an organization in the Greek community to try to build a nursing home. There were just plans and dreams, and they had raised some money, but that was when I got involved with the organization. That was at the time that the previous government had announced the multicultural beds allocation. We have been very busy to convince the government that there's a tremendous need. We're the only large community in the area for which there is no nursing home. We applied for 60; the government recognized our need and gave us 80.

That was all great, but then I was faced with the problem that I realized we had to raise the money to build this nursing home. For an 82-bed nursing home, we had to raise $4.3 million—that's what our consultant told us—and the government wouldn't give a penny for that.

So I went out to the community, and I really enthused the whole community that we had to raise money. It was a great thing to see more people get involved. There was an enthusiasm: "Let us try to care for our own people." We put a target of $2.5 million to raise. Our consultant told us, "No matter how stingy an operation you do, you cannot raise enough money to put aside for a mortgage for the rest," and I thought, "After all, we have to provide the $4.3 million."

So we have been successful in raising $1.2 million, and we're still working. There is tremendous volunteerism—a lot of us enjoy working to provide volunteer services—but I find it's really very unrealistic to expect us to put up all this money. No matter how much enthusiasm there is—after all, there is only so much money in the community, and I have been fought in the community: "Why should we raise all this money for that? We have other goals, to develop a community centre for youth and to develop a chair of Greek letters in the universities. Why should we direct all this money? The government should really give all this money."

I'm trying to convince the community that volunteer work is a great thing to spend some hours for. I do get a response, but I want to make that a collaboration, a partnership between the government and the community. Unless you help us, I don't think we can help this one. I think it's great and I'm enjoying it—it's the greatest thing to be a volunteer, to do work—but we need some help.

I was really thrilled to see, and I want to congratulate the government for this capital funding, although it's still just an open door: The minister "may" approve some capital funding. I would like to encourage the government to consider very seriously a kind of matching. We don't want the government to give all this money. I want the community to continue working and I want to be involved. At least give us one for one, or some way we can show that we're working together.

But with all this enthusiasm of people—"Let us give our money; let us give our time to work for the community"—I'm worried about what Professor Sunahara said, that if I ended up building a nursing home and instead of having 82 Greeks, I have 82 Japanese there, that will defeat the whole purpose. So I think this is very critical for us. If you want to keep us enthusiastic to work on that—and I think it's very important and we enjoy doing that—help us at least to fulfil that goal.

Those are really the two things I wanted to say.

The Chair: Thank you very much for that experience and also for the presentation. We have a number of questions. We'll start with Ms Marland.

Mrs Marland: Mr Chair, I'm sitting here smiling because I want to tell Dr Oreopoulos that my Greek name is Bouboulina, and you and I both know what that means.

The Chair: Who are you telling?

Mrs Marland: Well, I'll tell you some other time.

Dr Oreopoulos: She's a very famous Greek heroine. The Greeks always supported the females who contributed to their fights.

Mr Jackson: And she's quite a fighter.

Mrs Marland: My Mississauga pan-Hellenic community gave me that name because she headed the admiralty 400 years ago, I think.

I'm so impressed with the presentation from all three of you this afternoon, because you each bring a very important focus. I'm completely familiar with the nursing home you're presently in the middle of building because I attended one of your fund-raising dinners with Bill Kanelopoulos and Louis Valiano from Mississauga and Brampton.

The point you're making really hits home, and you said it so beautifully with your final comment about Dr Sunahara. You're wondering what the regulations are going to say and whether you're going to have the kind of protections you're looking for. You expressed so beautifully about being involved in the community and the fund-raising. I don't know whether I'm exactly right, but it was close to $2 million that you raised in one night, or $1.5 million; it was quite remarkable anyway.

Dr Oreopoulos: It was half a million in one night.

Mrs Marland: Half a million in one night. But that's what we Greeks are like.

Anyway, the point is that the government can't on the one hand say to our individual cultural communities, "Go out and do this," and then not give the protection for that investment. In fairness, and it doesn't matter which cultural group we're looking at, those people have to be cared for somewhere. Isn't it wonderful that they have an opportunity to be cared for in a community that is not only linguistically suited—I didn't want to say "matched"—for them, but that there are all the other aspects, let alone the food? It isn't just the dietary, it's everything, and it works beautifully.

I've always said to people who suggest that, "Of course, the ongoing operational funding comes from all the taxpayers," that sure it does. But the point is, it's so much easier for everyone—the staff, everybody who's involved, and most importantly for the individuals who require the care—that they're able to communicate and, hopefully, maybe get out of these facilities because they're able to communicate accurately what their medical and physical needs are.

1530

I just want to say that your questions about the powers of the placement coordinators and the kinds of decisions they'll be making are very well placed. The parliamentary assistant, Mr Wessenger, is here today. If you ask him what the regulations are going to be, he'll probably tell you that he doesn't have a clue either. We would love to know what the regulations are, because the regulations are shrouded in behind legislation, and we never know what those are. The worst part for us in opposition is that we have no ability to debate them, to improve them, to question them. We're powerless.

Dr Oreopoulos: I thank you for your comments. The main concern is that we should not lose this enthusiasm. If we don't have a binding way for the placement coordinator to allow us to offer our services, we're going to lose that, and I think we're all going to lose with this.

Mrs Marland: That would be a tremendous loss to the people in this province with those special needs whom you've so well identified this afternoon.

Mr Jackson: Very briefly, earlier I referenced when the government opened the Nursing Homes Act back in 1985 and a nursing home residents' bill of rights. We had made some inquiries into having it published in languages and having codified multicultural rights in terms of communication and the list of concerns you've articulated.

Because of the silence in the legislation, it causes one to question whether or not we're seeing a change in multicultural policy without specific consultation. More specifically, we may be having a different multicultural policy for long-term care or for seniors. Do you feel that we as a committee should be exploring blanket protections in this regard, or should we be looking at some sort of grandfathering of existing facilities? I'm nervous that it's silent. I'm prepared to work towards some change, but I wanted your guidance in terms of a grandfathering, so that we could create in regulation circumstances which protect the ethos of the buildings and the people who make them that special.

Mr Ruth: Whereas that sounds good and we'd like to see that done, we as a group feel that mainstream organizations which deal with the overall population, by the nature of their staff and their volunteers, can't really meet the basic ethnic needs of our older people.

Mr Jackson: I'm with you on that. There's agreement on that. What I'm asking you is, what legislative approach are you recommending to us if we can't get the government to agree that protections should be there: that there are strict guidelines for placement coordination, that there is respect for the mission statement of the given facility? If we can't get that, a fallback position would be to grandfather all existing facilities. We would advise the placement coordinator, "That's a facility that was built prior to 1995,"

we'll say, "and therefore you have a different set of circumstances." I wanted to get a feel from you, because if we approach this and we're getting nowhere, that would be a fallback position. I think you follow where I'm suggesting we go here.

Dr Oreopoulos: Yes, it would be a good idea to grandfather, but we are still many new groups that are coming up, and you don't want to stop us. If you grandfather something from 1993—I mean, our nursing home hopefully will be open by 1994, or at the worst 1995, but there are so many new groups coming up. In our association we have 25, and out of them only three or four have their own.

Mr Jackson: But some protection is better than no protection. My grandmother is in a Ukrainian facility. She speaks fluent Ukrainian; her English is reasonable. But that's my background.

Mr Ruth: She's a member of our group.

Mr Jackson: Yes, and I'm familiar with the facilities. I'm simply saying that if it's the political decision of the day that people are going to be homogeneously mixed when they become of age, we'll say—that's a political decision and it's reflected in this legislation. For those who support the notion of cultural support in old age, then we would have to fight for that as a fallback position.

Dr Oreopoulos: Is this a political decision to forget about this multicultural aspect?

Mr Jackson: It's silent in the legislation.

Dr Oreopoulos: Because if that is the case, then we are losing the battle. I mean, the whole idea is that we want to protect, give the opportunity to cultural groups to serve and help. If I hear you saying that there may be something like that, really I'm scared, because then there's no point in trying to raise more and more money for my community in order to build something there to help the Canadians of our descent. This is something where, really, we want to hear that you're going to protect us.

Mr Wessenger: First of all, I'd like to assure you that the whole purpose of this legislation is to ensure that people are placed appropriately, and in determining whether people are placed appropriately, it's clear that social, cultural, linguistic and religious factors are very important. Also, I'd like to assure you that for the individual seeking a placement, it's obvious that a person has the choice of going to a place or not, and that has to be the prime factor. I'd like to assure you that definitely you should have no concerns about the government's intention with respect to the question of ignoring multiculturalism, any question about the failure to take into account social, cultural, linguistic and religious aspects.

Mrs Marland: Are you going to allow them to continue their own homes?

Mr Wessenger: What I would like, if Mrs Marland would not interrupt me, in view of this intention, I think what we're looking at is what is the best mechanism, as far as you're concerned, to give you some assurance with respect to this matter. Would you feel more comfortable, for instance, with some general criteria being set out in the legislation, and in general terms along these lines, or would you prefer something more detailed in a regulation aspect? I'm asking for your specific advice on this area of how you would feel the most at ease, because I can assure you there is no intention of the government to do anything but recognize the multicultural nature of institutions in this area.

I must say I'd like to also commend you for your suggestions with respect to matching grants with respect to the new projects. I think that's an excellent suggestion and I certainly appreciate it.

Dr Sunahara: I'm a little leery of the understanding you may give us that yes, it is incorporated. We haven't seen this. It's not in print. We have to go by your word. The experience we've had with the central housing registry is very clear to us. They do not consider ethnicity, linguistic or any other thing. They're criteria are on straight financial and shelter needs, period. This has to be addressed.

Mr Wessenger: What I'm asking you specifically—

Mr Ruth: I can give you a specific suggestion, if I may, sir. I would say that, if this has to go into effect, if a Japanese person goes to the placement coordinator and says, "I want to go to a Momiji home for the aged," the placement coordinating centres automatically send him or her there for review, and the same for any other ethnic group. If there's an existing service in an ethnic community, they must go centrally and then immediately send them back to their local group, and that local group has to assure you, sir, that it meets your requirements of admission.

Mr Wessenger: If you're going to have placement coordination, one of the suggestions, of course, is to have the placement coordination related, to have the same provincially for, for instance, all persons of a particular—anyone of Greek background could apply to one coordinator.

Mr Ruth: That gets to be difficult, doesn't it? If it has to be geographical, what we're saying is that automatically, in Metropolitan Toronto, a Japanese person goes to the placement coordination centre and they say: "Oh, you're Japanese. I'll refer you right to the placement person at the Momiji home, or the Greek one, the Hellenic home. Therefore, the placement coordinator does not determine where that person goes. The determination is their ethnic background, and we have to satisfy you, sir, that we meet the needs for admission in our respective institutions.

1540

The Chair: We'll have to move on. I'm sorry, Mrs Sullivan, we're tight on time.

Mrs Sullivan: I'm going to follow in a very similar vein to the parliamentary assistant. On the first day of hearings, when the minister was here and ministry officials were here, we were asking very similar questions to the ones you've raised. I think it's useful for us to see people who have been very involved in the development of homes which have a particular emphasis on a religious or ethnic surround for residents.

At the time of the initial hearings, ministry officials indicated, in response to a protest I had made about the wording of the bill, that the policy intent was not what the

bill provided. My understanding of the bill is that the placement coordinator can determine where the person will go, and the person in fact has no right to express a preference or even to refuse to go there. Ministry officials indicated that was not the intent.

I am not certain if we are facing a drafting problem or if we are facing a policy problem, because we haven't seen the overall policy. But the ministry and the parliamentary assistant have agreed to come back to the committee with a clarification of where the government, intends to go.

I think there still is a problem, though, in that the bill suggests that the placement coordinator is attached to a facility and is designated on the one hand by the Ministry of Community and Social Services, and on the other hand by the Ministry of Health, with responsibility for each individual facility, and yet as we go into the placement coordination system and look at the provincial base and how we're going to integrate care to develop a continuum of care so that people can move in and move out and aren't locked into a long-term care facility, by example, if they don't need the care that's provided in that facility and can be treated on a community base, then we have to look at the community, the geographic area.

I have yet to understand how this placement coordination system is going to work to ensure that the preference of the potential resident will be acknowledged and indeed guaranteed, and how we will also be able to ensure at the same time access to the continuum of care outside of the facility. We are certainly looking for additional clarification on that. I think it's an extremely important issue.

I disagree with my colleague's suggestion about grandfathering. I see new ethnic groups that are becoming part of our communities—my own riding is now starting to receive more of a Sikh population, by example, that hasn't even begun to look at the issues of long-term care. But that will certainly be on their plate at a point, I would think.

I'm quite concerned when the parliamentary assistant suggests that it's obvious that a person—and I'm using his words here—has a choice of going or not going to a home. If persons choose not to go to a specific home because it isn't their choice of where they want to be cared for and perhaps spend the rest of their life, or only an interval, then what other choice do they have if the placement coordinator—there's no appeal provision in the bill. What other choice is there? To stay in a situation where their cares are not adequately met? Is that the other choice? If the choice is going or not going, that isn't an appropriate choice.

I think we have problems here. I'm glad you've brought them to the table in an informed, involved way, but I do want to say that we have asked for the clarification and I expect we'll get it and we hope that certainly the clerk will ensure it's shared with you.

The Chair: Thank you very much. If you wish to respond briefly, I'm afraid we're over time.

Dr Sunahara: If it would help, we'd be very happy to sit with the parliamentary assistant in discussing some of this aspect and at least get our input into it.

The Chair: I sense a coalition.

We want to thank you very much for coming today. I think you've made your position very clear, and as has been said, I'm sure the parliamentary assistant will sit with you and we'll work this out.

Mr Ruth: Could we table anything with the committee?

The Chair: If you have a document, perhaps you would table that with the clerk of the committee, please.

TABOR MANOR SENIOR CITIZENS' HOME

The Chair: I now call the representatives of the Tabor Manor Senior Citizens' Home. Welcome to the committee. Please make yourselves comfortable. If you'd be good enough to introduce yourselves to the committee and to Hansard, then please go ahead.

Mr Peter Warkentin: I'm Peter Warkentin and this is Rudy Siemens, the administrator of the home. We're here to present a brief that is fairly similar to what we just listened to, only we will be a little shorter. However, the discussion we just heard is interesting to us because our concerns are very similar.

Our home is located in the Niagara region. The brief is two pages long and I will read it for you, and then if you have questions, we're happy to answer them. We're part of the OANHSS group, the Ontario Association of Non-Profit Homes and Services for Seniors and we've done this in consultation with it. I'll start from the top.

Tabor Manor Senior Citizens' Home is a charitable institution owned and operated by the Ontario Conference of Mennonite Brethren Churches. Twenty-three churches with a total membership of 3,000 elect a board to govern this home for its seniors.

Tabor Manor was constructed in 1969 to provide accommodation and care where the German language, Mennonite culture, ethnic foods and religious uniqueness would be provided for seniors within the Mennonite Brethren constituency. All of the Mennonite Brethren churches participated in this project. Many hours of volunteer work and individual donations were contributed to improve quality care for seniors in a familiar setting.

In 1990, conference members from across the province contributed $250,000 to renovate the extended care wing, plus add a new wing with lounge and dining facilities for extended care. After almost 25 years in operation, the constituency still provides strong support in terms of donations and voluntarism.

We stress the ownership of Tabor Manor and the commitment to our conference members, being aware of pending changes in long-term care legislation.

Having attended a number of meetings with respect to the report on Redirection of Long-Term Care and Support Services in Ontario, it appears that the commitment made with our constituents re admissions and the right to governance is in jeopardy. Bill 101, in our view, undermines our ability to function as a conference project and threatens the viability of Tabor Manor. Our main concerns may be summarized as follows:

Admissions: With respect to access to facility services, we strongly believe that the needs of our owner-members are well met. A central placement agency, as presented in

Bill 101, is the beginning of the destruction of the ethnic-religious uniqueness of Tabor Manor. While such an agency may serve other seniors well, a way must be found to modify Bill 101 to exempt unique charitable homes like Tabor Manor from central control.

Our arguments to maintain control of admissions are not based on discrimination or exclusion, but on the rights of owners to maintain the religious and ethnic uniqueness of their home. While we agree in principle with the philosophy of admitting the most needy, we feel that occasionally individuals may want to be admitted to our facility for social reasons. A central placement agency will likely not be as sensitive to such needs as small admissions committees governed by a private board.

Reassuring comments have come from the ministry that religious-cultural uniqueness will be protected. We feel, however, that this is impossible if control of admissions is taken from us. As owners of our home, we feel we must have the right to determine admissions. We heard that again just a few minutes ago. We're concerned about the word "control."

Governance: The power given to the placement coordinators is disturbing. An appeal mechanism must be built into the system to make the process more equitable. Under the proposed amendments, the power of the day-to-day management is significantly eroded, as is the power of the governance by the boards.

Funding: While Bill 101 does not speak to finances specifically, the reform changes include funding envelopes for regions. Regional funding would, under the proposed program, no doubt favour local seniors to the detriment of our constituents in other parts of the province. A way must be found where conference members who have supported Tabor Manor are guaranteed admission when a need arises regardless of the district in which they live.

Voluntarism: Over the years Tabor Manor has enjoyed the support of a large group of volunteers—approximately 40 per week—who assist in a variety of ways to improve quality of life for seniors. These come from our Mennonite Brethren churches, each taking its turn. This support would quickly disappear should access be restricted to Niagara region residents.

We hope that our comments in this paper will be taken as constructive criticism and that changes will be made to Bill 101 to help us better serve our owner-constituents and seniors. We want to continue to work in partnership with our ministry and our government, a partnership in which quality care is the focus of our service.

1550

The Chair: Thank you very much. We'll begin the questioning with Mr White.

Mr White: Gentlemen, I think you've made a very succinct presentation. Your points are very well taken. Obviously, there should be respect not only for the individual who's applying for admission and who needs services, that senior or disabled individual, but also for those institutions that are already constructed, such as your own, that are sensitive to their needs.

We just heard recently from someone from the deaf community how it's important for services that may be outside of the region to be accessible to people from that community. In the same way, Mennonites from Barrie and Kitchener could obviously go to your facility. I think that very clearly should be accessible in the legislation, that kind of sensitivity, and I really appreciate your coming forth.

While I agree with all of the points and the request that you make, I'm wondering if you could share with us your relationship with the other seniors' facilities in the Niagara region, what that's like.

Mr Warkentin: We operate, I think, very well with the other groups. In fact, I was at a meeting a week ago to sort of go over this paper and discuss with them, and they're all putting together their own papers, so there are a lot of papers being put together.

Our relationship as far as operation is concerned is that we meet very often with them. The comment we make is that we do not want to be seen as exclusive, in the sense that if we have an opening and someone else needs to come in, we are open to that idea. What we are very concerned about is the control aspect, where someone says, "There's a list and you fit that list," and then you end up with whatever situation. If it ends up that your name comes up and the French home is open and that's where you're going to end up, well, my mother does not speak French. She speaks German and so she has a problem. At 80 years old she's not going to change. I have enough trouble myself, let alone her. I think that is what we're concerned about.

I think our working relationship back and forth is good, and we're open to that. We do not want to be seen as closed-minded, that kind of thing. That's not what we're after. But we also do not want to see it taken away from us so that we cannot put in the people who originally put the operation in process.

Mr White: Obviously, there's a difficult balance between cultural sensitivity and of course not being exclusive. I think you articulate that balance, that fine point very well and I hope the final draft legislation would reflect that and allow for accommodations for facilities such as yours. Thank you very much for your presentation.

Mr Hope: I have two areas which I would like you to elaborate on for me. It was a short presentation, you were right, but I need some more clarification. It's under the governance. You talk about an appeal mechanism. I wonder if you could elaborate on that. And could you elaborate on dealing with the regional funding for me?

Mr Rudy Siemens: As we understand the governance situation, the placement coordinators would control the placement of individuals in the home. I listened to the comments of the parliamentary assistant as I was sitting back there and I understand that's not what you're intending to do. However, the wording doesn't seem to say that, so we'd like to get the same response that the last committee had. If we get it, we'll be happy for it.

The way it is now, the placement officer, as we understand it, has control of who comes into the home but has no responsibility after that. We, as the board of governors

of Tabor Manor home, are controlled by a huge number of acts in the legislation, either federal, provincial or regional. We have a lot of responsibility. I, as a board member, if something happens at Tabor Manor, have some liability. The way we understand the legislation, the placement officer at this point has no liability, so I'm not sure why I would want to be on the board, taking responsibility, when you can come in and put somebody into my home and I have no control over that situation. So that's one concern.

Mr Warkentin: Let me add one other point to that question. It has to do with inspections. We don't have a problem with the standards that the government proposes and wants to inspect and monitor. However, it appears to us, again reading Bill 101, that inspectors also have immunity. There seems to be no appeal mechanism or so on. Again, it's the way it's worded. We're not sure that's what's actually meant, but if that's the case, then the governance is taken from the boards and given to the ministry, so to speak. We don't have a problem with partnership, but we have a problem with one-sided or almost central control of it.

Mr Hope: I'm wondering if you'd elaborate on funding. You've missed that.

Mr Warkentin: Yes.

Mr Siemens: On the area of funding, our concern is that our constituency is province-wide and we see funding going towards regionalization; in other words, that the Niagara region would get X number of dollars per capita to fund the homes in that area. The pressure that would come then is that if we have a person coming in from Leamington, the region may not want that person to come in because it infringes on the dollars that it has. Now, whether that is the way it is written—

Mr Hope: No.

Mr Siemens: If it's not, we don't have a problem, but that's our reading and that's our concern.

Mr Hope: Just to let you know, it's not done by regional funding mechanisms.

Mr Siemens: Okay, good. We've only got three concerns now. That's not too bad.

The Chair: We'll try to keep working on them.

Mrs Fawcett: Thank you for coming with your presentation. Certainly we have heard this before. I think the whole thing centres around choice, and you're worried about the choice of the particular seniors who would want to come to your facility and make sure that they would gain access. Right now, this board that you have decides all of this. Is there one person, or is it a joint decision of the board for admission?

Mr Siemens: No. There's a committee of four on the board and they meet on a monthly basis. The administrator brings us the list of people who have applied, those who are approved, and then we make the choices as to the needs as they come up, and that's done on a monthly basis as rooms become available.

Mrs Fawcett: Possibly you would agree with the placement coordinator being one of those people or that that would satisfy the government as to the placement coordinator for your facility. It might be an interesting idea, if, of course, that would suit—

Mr Siemens: I don't think we would oppose having a coordinator be a part of our discussion, and as I listened to the discussion earlier, again, if the government is going to clarify this for us and say, "No, we're not coming in to just blanket you," okay, we understand that. But right now the assurances need to be in writing, I guess, is what we're asking for. We've heard them verbally, and it's not that we don't trust people, but then governments change and people change and then the rules are read to you the way they're written or how somebody wants to interpret them, and that's all we're looking for.

Mrs Fawcett: I was particularly interested around the numbers of volunteers that you have. Could you just enlarge a little on how that could possibly be in jeopardy under Bill 101?

Mr Warkentin: I'm not saying that municipal homes or other nursing homes don't have volunteers, but we have very strong volunteer participation from our constituents because they are particularly interested. The churches that own this place take ownership and come and do a lot of things. When we say 40, that's many hours, and we think we can run—well, not just run the place more efficiently, but we can also improve the quality of care by having that constituency being there to support us.

We have owned some other organizations within Ontario—we still do—where control has been taken and the constituency immediately backs off. They still own the places, but they say, "Well, we don't really have a stake in this any more, so we don't really have to deal with it; the government can take care of it," whereas now certainly they appreciate the part the government plays, but they're saying, "We also have a stake in this and we need to continue to be part of that."

If the governance is taken away—and I know that it may be denied that that's what will happen, but that's what we understand, to some extent at least—I think constituents would say, "Well then, let them do their job and find their volunteers from somewhere else."

1600

Mrs Fawcett: So your costs would go up.

Mr Warkentin: I would say that certainly the quality of care would deteriorate.

Mrs Fawcett: Would go down.

Mr Warkentin: Yes.

The Chair: Thank you very much for your presentation. It was by fluke that yours and the previous one focused on similar issues, but I think that has helped to make those clearer to the committee and I can assure you that we'll be looking at that very carefully. I'm sure the parliamentary assistant would probably want to have you sit in the same seating as that is discussed, so he—

Mr Siemens: If he's going to invite us, we'll be there.

The Chair: Thank you very much for your submission.

Mr Warkentin: Thank you. I think it was good for us to be right after the last group because basically we were following the same track and so we're going to help you

catch up on your time and, as long as you hear us, we're happy.

The Chair: Thank you.

UNIONVILLE HOME SOCIETY

The Chair: I would now like to call upon the representatives of the Unionville Home Society. If you'd be good enough to introduce yourselves to the committee and for Hansard, then please proceed with your brief. We all have a copy in front of us.

Mrs Marie Hogan: Good afternoon. My name is Marie Hogan and I'm a member of the board of directors of the Unionville Home Society. With me are Lloyd Dennis, another member of our board of directors, and Margaret Hill, the administrator of the Unionville Home Society.

Our situation is very similar to the two previous presentations. I'll tell you a little bit about our home society; you've already heard our concerns about the care and the continuity of service. These are the two points we want to identify, as you can see in our report.

We want to start by saying that we are very pleased to be here and to tell you how much we appreciate the direction that long-term care is taking. Our position is a very positive one and we just want clarification in terms of probably two words in the whole matter.

Unionville Home Society is a community-based organization that was established 25 years ago by a group of churches and, as a result, it has never really lost its concern for the community. If you read through our formal presentation, you will see that we have on campus a number of structures or a number of services that we provide.

Union Villa is a CCHFA-accredited charitable home for the aged accommodating 162 seniors, providing extended care services to most residents. At Heritage Village there are 92 affordable, independent-living, rental bungalows for seniors, one third of whom receive additional subsidy support. At Wyndham Gardens we house 122 independent-living, lease-for-life apartments for seniors.

Our newest program is UHS home and community services. It provides a range of in-home and individualized social and health services to campus residents, a day guest program offering day activation programs to older adults with special needs, and Heritage Centre, a multi-purpose older adults' centre with more than 450 members, serving both the UHS on an 18-acre campus and the community at large.

So that's a brief overview of our campus and the people we serve, and the wide range of people we do serve.

In correspondence to the Honourable Marion Boyd we stated that on the whole we're most supportive of your new direction in long-term care and, in particular, the strong community focus, the commitment to rationalization of the relevant legislation, as well as the delivery system. We welcome the new resources for expansion and improvement of services, but we do have two concerns, as I identified initially, and they are the consumer's choice for care and the continuity of care.

We are worried about the choice of care because of our 25 years of experience, knowing that the folks we have served have had the opportunity to choose over and above the services provided. We would want to make sure that these residents still have that option to choose extra services if they so wish. I don't think I need to elaborate too much more because you have heard it, I know. This is your third time on that particular point. So it's that concern for the wording of the bill. We would like to be assured that you are taking into consideration that one day we will be those seniors and we would want that choice ourselves. It's more a matter of clarification with regard to consumer's choice.

Our second is a little more complex: the notion of continuity of care. It relates both to how we provide service and how you, the government, plan to provide placement. We have difficulty, from our mission mandate—we would like to provide a continuum of service, and as I've indicated to you, we have residents living on our campus in rental units.

They have moved there with the intention that when they need it, they would be able to move into our extended care facility, which we call Union Villa—and we have another, the lease for life, where we have promised the same sort of idea. It is our mandate or our mission statement to provide this continuum of service, and we are concerned that we won't be allowed to do that.

Our second concern in this regard is that the applicants for placement will not have a choice of placement. We're serving the large region of York South and we do not think it's feasible that somebody living down in the southernmost corner would be placed, let's say, in Newmarket, 30 kilometres away. We would like very much for you to consider changing the wording, again in terms of having us working with the placement coordinator to ensure that our seniors are placed where they are happy.

That really is a brief summary of our presentation. I know that you have heard very similar presentations today. In closing, I would just like to reiterate our concerns.

We would encourage you to recommend that the Long Term Care Statute Law Amendment Act, 1993, be reconsidered in light of defining more clearly the right of consumer's choice, that every effort be made to accommodate the wishes of the consumer, and that continuity of care be fundamental in making placement decisions.

The Chair: Thank you very much. Let me just note, as a member from York region, that the reputation of your organization comes before you and that all of us certainly who are from the region are delighted that you are there and that you're here today.

Mr Hans Daigeler (Nepean): Have you got your application in?

The Chair: That's right. I'll get my application in.

We'll begin the questioning with Ms Fawcett.

Mrs Fawcett: I thank you for coming before us. It certainly sounds like you have covered all of the bases with your wonderful campus facility.

Mrs Hogan: Thank you.

Mrs Fawcett: I think it's clear that the choice of the consumer is of paramount importance. I guess as we hear presentations the words are not clear in the bill, because there does certainly seem to be the fear out there that people will not have the choice of where they want to go—that is clearly something that is of great concern to seniors,

there's just no doubt about that, and we do want them to be happy in their final years—and also this continuity of care.

If I could just ask you a specific question around the funding formula that has been promised, I would assume that would affect Union Villa. Have you received any information as to just when the new formula would be in effect? We had heard January and then we were told by the minister that it would be maybe April, and I have heard that now it may not be until September. I'm sure you're trying to budget, as most people are, and just wonder if you have heard anything.

Mrs Hogan: I will refer that to Margaret Hill, our administrator.

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Mrs Margaret Hill: We have heard the same, other than that it is very discouraging to hear your comment of its being moved forward to even September, because it is causing great duress not only for Union Villa, Unionville Home Society's home for the aged, but all the other homes for the aged in the province.

Mrs Fawcett: Right. Could you just enlarge a little on how this is really providing, you know, combining—

Mrs Hill: At the present funding levels we are working on a 1% increase budget for 1992-93 over 1991-92, and in the upcoming budget preparation we are working on a zero increase and at no increase to funding, meaning that for a facility that is presently underfunded, we are continuing to provide services by underfunded dollars.

Mrs Fawcett: Do you have an added problem of contract negotiations at all, or are you settled?

Mrs Hill: We are fortunate at this point that we do not. However, that's not to say that couldn't be the case. But maybe Lloyd would like to speak to that.

As a fair employer, we would certainly like to be addressing the salary rates; also, I think not only the salary rates but the number of staff to provide for the level of care we are servicing, which is far in excess of what the home was built for and what the home is currently funded for. Out of 162 individuals, extended care funding is only applied to 118. So for the 44 residential, we are providing a level of care for which we are not being funded.

Mrs Fawcett: Around the classification system, I know there have been hints that possibly there are more in the high-level care than was maybe anticipated and that this also could cause some problems around that whole area.

Mrs Hill: Indeed. We would be most anxious to hear the results of the classification which took place last October—

Mrs Fawcett: With definite time lines for you.

Mrs Hill: —and of course residence circumstances have changed.

Mrs Fawcett: Yes, and as yet you have not heard.

Mrs Hill: That's right.

Mrs Fawcett: I understand that is hopefully forthcoming. Maybe the parliamentary assistant could enlighten us on exactly when that classification system is going to be made public, the results there.

The Chair: Can the parliamentary assistant enlighten us? For sure he can.

Mr Wessenger: Unfortunately, I think it's something that will have to be taken note of to see what information we can get.

The Chair: An enlightened note.

Mr Wessenger: That's right.

Mr Daigeler: I was just wondering whether it would be possible for you to make an estimate of how many of your residents would currently take advantage of paying for certain services which could be considered additional in relationship to your first point about the ability to choose.

Mrs Hill: The cost for services?

Mr Daigeler: Yes.

Mrs Hill: I would say that in the home right now, as a guesstimate, around 30 or more individuals whom we have not approached for additional services. This would be additional services in terms of the care level, because the funding isn't there to meet the staffing required to care for the person at the higher end of care.

As a result of that, in a home where you are funded at an extended care level, you have a mix of light extended care and heavy extended care. Because individuals are staying in the community longer, admission to the home is at a higher level of care need. Therefore, the individuals who are already in the home are moving into and close to the chronic care level need, and there is no placement for those individuals, so they remain in the home.

We're not staffed to service that number at that high end. It would be approximately 32 individuals at that high end. But if funding were appropriate to their need, which is what the classification system was based on, it's highly improbable that those individuals, if the dollars were available, would need those extra services. On our campus we have 40 individuals.

Mr Daigeler: What I was kind of referring to was more the points that you made in your presentation. You quote here, "contracting for a massage, for a companion, for supplementary personal care," even to ordering a pizza. I just want to get a sense of how many of your residents are currently taking advantage of these what you might call frills.

Mrs Hill: Additional services?

Mr Daigeler: Yes.

Mrs Hill: We have not proceeded to bring in additional services, other than for nursing services. I'm saying right now that we have 12 families that are taking and expending exorbitant numbers of dollars to have their loved one assisted with the additional nursing services, and they cannot continue to do that under our current funding, if I don't have the finances for that.

Mr Lloyd Dennis: There is also a concern in the legislation that we will be unable to provide that in the future because there is a limit in the legislation. It essentially says that we will not be able to provide that service to our residents, that there's a standardization of service and

that's all we will be allowed to provide. That's a very specific concern that we have.

Mrs Hill: And I think it's important to realize, although we're using the term "we," this is applying to all homes for the aged, all long-term care facilities in the province.

Mr Jackson: You expressed concern about the placement coordination service. What's your understanding of how this may work as it affects your organization?

Mrs Hill: We are in the fortunate situation right now of working closely with the placement coordination services in York region and, as it is functioning right now, we work with the placement coordination services. They have individuals who come to them for placement. If the individual requests placement at Union Villa, then that information on the individual is forwarded to Union Villa and it goes through the Union Villa admission review committee, which is a multidisciplinary committee.

The concern with the long-term care statute, Bill 101, as it currently exists is that it does not define the role of the placement coordinating officer's duties and responsibility. I think whatever control that is going to be, it needs to be defined more explicitly and more clearly.

Is that placement coordination officer going to work with the family and give consideration to that consumer's needs? You mentioned that your mother was of an ethnic background. In that instance, would that placement coordination officer give consideration to the needs of someone who needs and wishes placement in a specific home, or is it going to be absolute, in that a placement coordination officer is going to evaluate the needs and make a placement because there is a placement available in another region, in another area?

Mr Jackson: Currently, there's a lot of flexibility and there's ability to move, even in this period of restraint and waiting lists. Is your fear that in a given facility it's very easy, with the amount of control being given to a placement coordinator, that he or she can change the mix or the acuity levels of the residents very dramatically and affect certain outcomes, so in effect buildings become predetermined as receptive to a certain type of client by virtue of the consistent placement of certain individuals in certain types of facilities?

Mrs Hill: If the responsibilities and duties of the placement coordination officer or services are not clearly defined, yes.

Mr Jackson: I see that there are two real issues here as I work with placement coordination in my community: whether the facility is appropriate to the family, in concert with the client, or whether the facility has a program and "We'll fit the client to that." There's a world of difference between the two of those.

Mrs Hill: Bill 101 does not address that either way.

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Mr Jackson: Yes. Currently, a variety of people, loosely referred to as advocates, are allowed to impact a decision as to where the individual goes: It takes into account the age of a spouse, who may need to get to a bus route in order to provide additional touch and warmth and so on, or it could include costs; it could involve a variety of issues.

So your concerns are twofold in that regard, in terms of strengthening the guidelines. We've heard as well the issue of the appeal mechanism having more than one person responsible for appeals, more than one person responsible for the actual placement coordination; that kind of thing. Is that the other aspect of it?

We can make it a lot more clear, but it may not be what you want to hear, so is there not something more specific that you could recommend? Could you go one step further and suggest something? The solution is: You can appeal the decision or you can impact the decision. I'm sorry to be so basic here, but I'm trying to ask of you what you'd like to see done differently, other than to raise the question that it lacks clear definition as to who's in control and how you can impact the decision.

Mrs Hill: I think the consumer needs to be in control, and if the consumer chooses and wishes to go to a facility for placement, that consumer's wishes have to be given priority.

Mr Jackson: We have a process in place. I used to chair a housing authority in this province, 15 years ago, as a matter of fact, and we had a practice: You were given three choices of a building. If you turned all three down, then you were put to the bottom of the list. I'm not saying that, and I don't want Ms Sullivan to suggest that that's what Mr Jackson now suggests we do. I am posing it because I have extensive background in how bureaucracies operate around this building. When people talk to me about choice, bureaucrats will say to me, "When does the choice end?" and so on. Have you thought through the process of choice and where it all ends up?

Mrs Hill: First, I think we need to realize that when we are speaking of the consumers who are seeking placement in a long-term care facility, they are there to make a choice because they have to make a placement. Their first choice is to stay in the community. If they then have to make a choice of going to a facility for a placement, then they are going to choose a placement that is going to meet their multicultural, linguistic and social needs; they want to stay in a community which they are familiar with.

If the point has come, as you raised, that an individual, a consumer, after the third opportunity of placement turns it down, in this day, that tells me he or she doesn't need placement. I think we need to look at the whole system, if that's the point we've reached.

We need to realize that we're talking about consumers who are at a point in their needs—of course, that's if we understand the government's direction; that is, to provide funding to people who are staying and enjoying independent living in the community longer with the support services that are to be provided. By the time an individual has exhausted those community support services and needs placement in a long-term care facility, let's give him or her the minimal choice he has left. That minimal choice is—

Mr Jackson: Am I out of time?

The Chair: I'm sorry, we have to move on.

Mr Wessenger: I'd like to thank you for your presentation. In response to a question about the new levels-of-care funding arrangements, I'd like to indicate that they will come into effect as quickly as possible after the bill is passed. We'd require the bill, of course.

With respect to the matter of patient classification, they expect that information will hopefully be available by the end of February. That's the target date for that.

I'd like to follow up with a question with respect to these enhanced services you've referred to. In your brief you've already indicated, I believe, that some of the enhanced services are paid for by the individuals themselves. You also indicated that there is some additional funding to your organization which provides an enhanced level of service overall. Is that correct?

Mr Dennis: That's on an individual basis. That's families.

Mr Wessenger: There's no sort of overall enhancement that is any other source of funding?

Mr Dennis: Families come in and do things for their mothers, fathers, relatives.

Mr Wessenger: But I take it that one of your questions was, could an institution itself, if it had another source of funding, provide a level of enhanced care? It would not make any sense to prohibit such an institution, if it had its own other sources of revenue from providing an enhanced level of care.

Mrs Hill: Your point is very well taken, because it comes in under our first point in the presentation, on page 4. If I can recall, I think it was point 6 of the summary notes regarding Bill 101. It is not clear and it doesn't explicitly indicate in the bill, in that it proposes that residents may not be charged more than certain maximum amounts for basic accommodation, preferred accommodation, other care services, programs and goods. This restriction could impact negatively on the operation of long-term care facilities. I won't read through that, because you have that in the brief.

I think the point to address here is that the statute is not clear as to whether residents will be unable to acquire such goods or services only from the provider organization which, in agreement with the crown, is providing certain services, or whether the restriction is absolute. That's the point we're trying to make: "absolute" meaning that the consumer who is a captive under this arrangement would not be able to source and pay for any other services, goods, etc. That was where we were concerned.

Mr Wessenger: I understand that point.

Mr O'Connor: Like the Chair, I represent part of York region. I have also heard of the fine work—and I'm sure you're aware of it—of Parkview Village up in Stouffville in the southern part of the area I represent; I go right up to Georgina Island in York region.

I have a comment, and perhaps I can glean some information from you that might be able to help us.

During the consultation period, when the ministry had sent out for further consultation, a consultation paper went out. Clearly, right in that consultation paper, there was a statement of renewed vision. I'll read from the very first line of it: "The new directions presented in this paper have made the needs of the consumer the most important consideration for long-term care and support services." So it puts the consumer at the very beginning.

It also went on to say "the promotion of racial equity and respect for cultural diversity." There was a whole paragraph on that, just in the vision statement. I'm sure that was reflected in the presentation you made when the consultation period was going on.

Right now—I don't know whether you realize it or not—there's a draft document out there. My colleague and I are both parliamentary assistants to the Minister of Health, but he's taken the lead in this, so perhaps you can work with Mr Wessenger on this. You've talked about special needs and the importance of recognizing cultural diversity in placement coordination. There's a draft of an application form for a placement coordinator in the draft manual that was circulated—I don't whether you've seen it—circulated in a limited fashion, but trying to get some information.

Perhaps through the parliamentary assistant you could get a copy of the draft admission form and you might be able to suggest ways in which we could improve that, because this afternoon we have heard from many different cultural communities, starting right off from the deaf culture, saying that the needs of different cultures must be respected. If you haven't had an opportunity to comment on it, perhaps you could take the opportunity. We'd appreciate that, because I feel it is important—we certainly heard this afternoon from a number of presenters on that very importance—on how you think we might be able to improve that.

Mrs Hill: Thank you. Certainly we would pleased to do that.

Mr O'Connor: I just made some more work for you, Paul.

1630

Mrs Hill: I think we still have to be very cautious in understanding that the statute, Bill 101, is the letter of the law, and we want to ensure that the letter of the law is giving us the tool or the instrument to work with to put in place that which we want, to ensure that the consumer has the opportunity for choice and that the consumer has the opportunity for continuity of living and care services. I believe those are the two basic pillar foundations to Bill 101, and if those two issues are thoroughly and carefully looked at and dealt with in Bill 101, then the whole multicultural, linguistic and social aspects will also fall into place.

Mr O'Connor: It might not be quite as simple as that, because we've heard from the other communities which aren't as fortunate as you are to have that whole continuum of care already within the community. They are looking at it from a beginning point. You're very well established and are able to provide a continuum of care that isn't reflected in many other cultures and communities. They haven't got to the point you're at: That's why I'm asking if perhaps you'd help us out in trying to help those other people as well.

Mrs Hill: They do have a continuum of care in that, for example, Tabor Manor is drawing province-wide. They've got people in different parts of the province who are being supported in housing areas who, when the time comes to come into a home for the aged, are coming to Tabor Manor. That's the problem: Their problem actually is a greater expanse. So we're fortunate.

The Chair: I'm afraid I'm going to have to stop our discussion and I'm sorry for that, but we do want to thank you very much for coming in and for bringing your presentation. I think it elicited some more interesting information in the line of a number of the presentations this afternoon, so that's been very helpful to the committee.

Mrs Hogan: We do thank you for this opportunity.

The Chair: I draw to the attention of the members of the committee two documents from Alison Drummond, our research officer, that were done at the request of members. One is on attendant care in Bill 43, the relevant pages from Hansard; second, at Mrs O'Neill's request, information on the existing arrangements for attendant care. That has, I believe, been passed out to the members.

Mrs Fawcett: Mr Chair, could I have clarification on the information the parliamentary assistant gave me on the funding formula? You're saying that the money cannot go out until the bill is passed?

Mr Wessenger: That's right.

Mrs Fawcett: But can't the formula go out to the homes so that they know how to budget? Are they budgeting the old way? Do they have to wait for this new formula? You wonder around estimates.

Mr Wessenger: It might be of assistance if I asked the staff person to perhaps clarify that for you. Or would you like to hold it to the end?

Mrs Fawcett: Yes, I would.

The Chair: Just so we could allow the next representatives to speak.

BELMONT HOUSE

The Chair: I call the representatives of Belmont House, if they'd be good enough to come forward. Welcome all, to the committee. If you'd be good enough to introduce yourselves to us and to Hansard, thank you.

Ms Mary-Jane Large: Thank you very much for seeing us today. My name is Mary-Jane Large, the executive director of Belmont House, and I would like to introduce some members of my board: Anne Stinson, who is the president of the board; Joyce Marsden, who is past-president of my board; Johanne Ratz, who is the chairman of finance for my board.

The Chair: Just before you continue, I'm wondering, Hans, would you be good enough—what I see is a talking water jug. Could you get that?

Ms Large: How's that?

The Chair: Please go ahead.

Mrs Marland: It never bothers you when it's in front of me.

Ms Large: Belmont House is a charitable home for the aged. We're located at Davenport and Bay, so we're almost in sight of this building. We began operation in 1852 and have a long history of responding to the changes in the needs of many communities over the years. This has ranged from women who were in trouble with the law in the 1850s to people with mental disabilities during the 1870s and 1880s and actually right up until the 1940s, and for the past 120 years we've cared for seniors.

We currently have 315 beds, made up of 204 residential care and 111 extended care, with an average age of 87 years. We are planning renovations to 25 of the residential care beds for respite care and transitional care, which will occur as soon as we get some assistance with capital funding.

The members of my board and I are here today to say that although we understand the underlying principles of Bill 101, we have concerns and would like to make recommendations on some parts of it and on the proposed regulations. These concerns also reflect the wishes of our residents, who have been well informed about what is going on and expressed some of these concerns during the consultation process.

On reading the draft legislation, it would appear that the service agreement which is mentioned will be a standard document. We would like to see the service agreement tailored to the individual homes, because I think only in that way can it reflect the cultures and individuality of the homes and also reflect the kind of atmosphere boards of directors wish their homes to have.

There's obviously been some discussion recently about the funding and where the money is going to come from and how much money we're going to have to run the home, so I won't discuss that at the moment.

The service coordinating agency also is of some concern to us. The board of Belmont agrees that individuals should be encouraged to remain in their own homes as long as possible. However, access to community services is not easy and at the present time it is not ongoing. We're concerned that during the transition period, when Bill 101 comes into effect and before the other community services are implemented, many seniors will suffer unnecessarily.

Residents in homes for the aged are usually older than 87, are frail and have many chronic problems. Many, however, are not physically unable to look after themselves, but they do benefit from the physical, social and spiritual activities provided in homes for the aged. It's one of the things the admission criteria would appear to eliminate, being able to be admitted to the home for something other than physical needs.

Bill 101 has stated that individual choice is important, but as it is presently written it does not allow the individual any choice, nor does it allow the home for the aged to admit those whose care they can give safely. This is not compatible with the primacy of the individual as stated in the legislation.

Many institutions have waiting lists. Belmont's is extensive. There's uncertainty about whether people who are presently on our waiting lists will be able to stay on our waiting lists, or will they have to go through a whole new assessment process with the SCA? Or will they continue to

stay on our lists and be admitted as vacancies occur as they do at the present time? This information causes some anxiety for us, but it causes an enormous amount of anxiety for those people who are on our waiting lists and wondering what's going to happen to them.

We would also like to question, once the SCA has approved somebody for admission to a home for the aged, what happens to that person? Do they just sit on some waiting list controlled by the SCA or will the homes themselves be able to have a waiting list of those people so that they can orient them and start the admission process even before a bed becomes available?

We have a concern that a senior may have decided that he wishes a certain service and the SCA will restrict that choice. We've found that when people apply for admission to a home, they've already considered their options and they've made a choice. The SCA has a major role in ensuring that individuals are well informed and understand the options available to them, but the individuals should also be allowed to make the choice, and not the placement coordinator. The placement coordinator, according to the legislation, is the only person who will assess and determine an individual's eligibility for placement in a facility, and we feel that really imposes a limit on the person in the community, on his or her choice.

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We have several changes that we would recommend you consider:

(1) That the criteria for admission be expanded to include psychosocial needs as well as physical needs.

(2) That individuals wishing to enter a home for the aged be able to do so if they're willing to pay the full cost of care. It could be that somebody might not fulfil all the criteria as laid out by the coordinating service but might be able to pay the full cost of care anyway.

(3) That the requirement to admit an applicant also be based on the ability of the home to provide that care. Many homes with a large residential population are unable to deliver any kind of heavy nursing care because we don't have call-bell systems, we don't have accessible washrooms, we don't have nursing stations. The buildings physically are not able to do that. Renovations to those buildings can take place, but that's over a period of time at quite a high cost.

(4) That the procedure for appeal of a decision rendered by the placement coordinator be simplified so that an applicant who may be frail or confused by the process will be heard quickly to be reassessed for either admission or for community services.

(5) That the placement coordinators be required to ensure that if an applicant is ineligible for admission to a home for the aged, the placement coordinators will have the responsibility to ensure that other services will be put in place for that person so that he is not left in some vacuum, not being able to go into a home for the aged but also needing other services that he doesn't know how to get.

Finally, we have concerns about the procedures for the implementation of this legislation, that during that process some seniors will fall through the cracks because there are just enormous gaps in service now. We are concerned that those gaps be filled for the people who are out there who are at risk.

The Chair: Thank you. Did anyone else want to make a comment before we start questions? If not, okay. We'll begin with Ms Marland.

Mrs Marland: Ms Large, do you have a concern about the overall approach that Bill 101 brings to long-term care?

Ms Large: I think the whole approach to Bill 101 is a good idea. I think there's no question there needs to be an overhaul of the system and I think that even the placement coordinating services is a good idea, because it helps those people who want service to be able to have one point of entry into the system. My concern is that once they get into the system, especially in the city of Toronto, there are so many people to deal with that somehow the individuals wanting to enter homes or needing services will get lost.

Mrs Marland: Are you concerned about the omnipotent power of that placement coordinator?

Ms Large: Yes, I am. I think the appeal process as laid out in the bill would be very confusing to an individual who didn't have somebody to speak for him.

Mrs Marland: Which is probably almost the majority of people, isn't it?

Ms Large: I think so. I think even families don't necessarily know how things work or how to push the right buttons to make things happen.

Mrs Marland: Based on your own experience, do you have any comments about the thrust and the direction towards the non-profit sector for long-term care versus the private sector and giving future and present people who need long-term care a choice of where they procure or access that care?

Ms Large: I think the first priority is that people have a choice of where they access the care. I don't have the problem that a lot of people have with the for-profit sector. I think they deliver good care, as the non-profit sector does. It's important for the people who need care that it be given in the best possible place for them and that they should have a choice. I think the funding is another issue. It would appear that a great deal of the new money that's being put into the system will end up going to the non-profit system providers rather than the for-profit providers.

Mrs Marland: We can probably guarantee that you're correct in that statement. The now former Minister of Health, as of this morning, when she was before the committee, said that the government definitely does have a preference for the non-profit sector. We have a concern because we don't feel there's any evidence to suggest that the private sector has anything less to offer than the non-profit sector. In fact, the irony is that for years the major inspections have been done in the private sector nursing homes and have not been done in the government or non-profit sector ones.

We feel very strongly that the choice has to be there from a purely practical point of view too. Suddenly, the non-profit sector can't provide all the accommodation that's needed. We've got waiting lists now which are unbearable for some families, but it's the same ideology that's

putting private day care people and other service agencies out of business. So we're not surprised to hear that from this current government, but we have concerns about it because there's no evidence that if homes are licensed, if day care centres are licensed, the public is protected.

Ms Large: I think that in measuring the quality of care, each individual home or facility has to be measured on the quality of care that it provides, whether it's for-profit or not-for-profit.

Mrs Marland: That's a very nice way to put it.

Ms Carter: One point I was going to raise: You said the service agreements would be uniform for the homes. But I'm just looking at the explanatory notes at the beginning of the bill and it says, "Service agreements must comply with the regulations and may contain additional provisions agreed to by the parties," so it seems to me there is scope there for different facilities to have different agreements. I'm not sure whether there's somebody here who could enlarge on that, but I thought that was a relevant point there.

Also, I think it has been made clear this afternoon and previously that there will be choice as to where people go. I know that is the intention. If it hasn't been made clear in the bill, then I think we're all agreed that something additional must go into the bill to clarify that.

Of course, each person has to have his plan of care, and I would hope that he would be consulted on that. If that also is not clear in the bill, then I think we ought to be open to suggestions as to how it can be made clearer that this is not something that's going to be imposed on people.

Ms Large: Certainly, in homes at the present time, there is a plan of care for each resident in which they take part in developing. But I think, not having seen a sample of what the service agreements are like, this was one of our concerns, so I'm reassured to know that they will have the flexibility to be able to reflect the culture of the various homes.

Ms Carter: But we've seen, throughout this afternoon particularly, that there is a fear that homes are going to be homogenized. I think this is really the opposite of the intent. The intent is to make sure that every individual gets the most appropriate care possible. As somebody, like others here, who's been involved with the Advocacy Act and related legislation—I can see Mrs Sullivan flinching—the whole heart and soul of that legislation was to give individuals the right to say what their own preferences were and have those preferences honoured. I think it would be very strange if we suddenly went in the opposite direction and said, "Right, everybody's got to have some standardized treatment that somebody else thinks is good for them."

Ms Large: I guess the changes in that advocacy legislation, from the first draft to the final writing, show that this concern has been recognized, though, that the legislation changed considerably.

Ms Carter: That was the original intention, but maybe it wasn't ideally drafted.

Ms Large: That's right. It didn't—not in the first draft.

Mr Wessenger: If I remember correctly, you said that your home is not equipped for heavy care. Is that right?

Ms Large: We have 111 extended-care beds in a new wing, which opened last January.

Mr Wessenger: Oh, your new wing is equipped?

Ms Large: That's right, and it is all extended care. The residential part of the building, which was built in 1969, is not equipped to provide care.

Mr Wessenger: So it's the residential portion that you have the concern about, not the extended care.

Ms Large: No. Our new wing was built with a good deal of assistance from the provincial government, for which we thank you very much.

Mr Wessenger: Right. That actually answers my question. Thank you.

1650

Mrs Sullivan: We haven't talked much, in these hearings, about the standard agreement—I don't know what date of service agreement—which would be appended to the manual or part of the manual. The agreement itself is very standard and really reflects whatever will come out of the regulations. Of course, none of us have seen those, and we were told that we will not see them. But attached to that is a program description which is the schedule, and the schedule becomes an integral part of the agreement.

When Mr Quirt comes to the platform again, I wonder if he might, in addition to answering the question about the flow of funds, also respond to questions about how the capabilities of the individual facility will be reflected in the schedule. I see that there is supposed to be a program description, but it doesn't speak to the particular culture or facilities available or services available within the individual institution. I think that would be helpful to us all as we look at whether this is an appropriate agreement or whether there should be some enhancements, specifically in the legislation.

I like very much your suggestion of the orientation while on the waiting list as well as sitting with the placement coordinator. It seems to me that's a very practical approach to that. I'm not sure that there's a legislative amendment that can be brought in, but I just think it's something that's worthwhile to underline.

I was also interested, and I want to ask you a question about this, in the average age of your residents being 87 years. In both the residential and the extended care facilities, certainly what we're seeing throughout long-term care is increased age and increased acuity of people as they're moving into nursing homes or other facilities. People who used to only be cared for in, say, a chronic care facility are now being cared for in nursing homes and homes for the aged.

Many of the problems that these facilities are facing are psychogeriatric or behavioural problems such as violence. I wonder how you see, by example, the influence of the increased acuity affecting your funding needs and whether you see an annual assessment of patients being appropriate in terms of funding the services that you need as people die or move out or go back to the community or whatever.

Secondly, do you see as appropriate chronic care facilities being included as a separate level for dealing with long-term care patients who have more difficult problems to deal with, or do you see what appears to be the current move of the government, to move what are now chronic care patients into the nursing home/home for the aged environment, as being an appropriate move?

Ms Large: To answer your first question first, the annual assessment, the mortality rate in a home like Belmont House, with 315 beds, is about 30 people a year, so over time it will take about 10 years for the whole population to change. The annual assessment is probably not enough, because the general health of those people who are already there deteriorates over the year. As well, it would certainly appear that the new admissions will require more care than we have previously given. So each year our requirements for care and for funding will increase.

The appropriateness of chronic care facilities in a separate building depends, I think, on the level of chronic care. There are a great number of people in chronic care facilities who require some kind of heavy nursing care but don't require the specialized facilities that hospitals provide. They may need a little bit of oxygen; they may need a little bit of specialized care. But I think that homes for the aged are not the appropriate places for people who require tube feeding, intravenous; catheters are probably okay. The reason for that is that the staff resources would then be spent delivering the nursing care rather than the psychosocial care that so many people need. A lot of them, even when they're physically unwell, need a lot of time just spent talking, getting them dressed, leading to their quality of life, and if the nursing resources are all put on delivering physical care to people, there isn't going to be an awful lot of time left to deliver that kind of quality-of-life stuff that is so important to our residents, that makes the difference between a good home for people to live in and a bad home.

So to answer your question, chronic care facilities, some of them I think have done a good job in specializing in certain types of care, but I think there are a lot of people in chronic care who could easily be cared for in a home for the aged.

The Chair: Thank you very much for coming forward. As you noted, you're not that far from Queen's Park, and I suppose it is one home that many of us are aware of simply from wandering around this city, and we know the fine job that you do. Thank you very much for taking the time to come in and speak to us.

Ms Large: Thank you. And I'd be very happy to tour any one of you around the home if you'd like to come and see it at any time. Thank you very much.

The Chair: If I could, then—to the parliamentary assistant—I wonder if we could just deal with those two issues that have been raised by Ms Fawcett and Ms Sullivan.

Mr Wessenger: Yes, if I could get staff to comment on it.

The Chair: Again, Geoff, if you'd be good enough just to reintroduce yourself for Hansard and then you can go ahead.

Mr Geoffrey Quirt: Thank you, Mr Chairman. My name's Geoff Quirt and I'm the acting executive director of the long-term care division of the Ministry of Health and the Ministry of Community and Social Services.

The Chair: I think the first question related to the funding, both in terms of when it would flow and then also, I believe, around the formula that would be used and when one or both would be made available.

Mr Quirt: Ms Fawcett was quite right when she indicated that our original target date for implementing the new funding arrangements for nursing homes and homes for the aged was January 1, 1993. When it became apparent that the legislative schedule didn't allow for passage of Bill 101 by that time, and at the point in time that the bill was introduced to the Legislature on November 26, Minister Lankin indicated that the new funding arrangements would be implemented in the spring of 1993. She was cautious not to pick a particular date, because of course implementing the new funding arrangements is dependent on passing the bill before the committee at this point in time.

With the blessing of the committee, the bill would go back to the Legislature when it reconvened, and it would be our intention to introduce the new funding arrangements as soon as possible after passage of the bill, dependent on the pleasure of the Legislature at that time. That's why we indicated the spring of 1993 and, if the bill passes, as soon as possible after that we'd be implementing the new funding arrangements and adding $206 million to the budgets of the existing nursing homes and homes for the aged.

With respect to exactly how much money is available to be distributed with the new funding arrangements, we are hoping to meet with our funding focus group, in other words with the committee we've been working with to develop the funding formula, which includes representatives of provider associations, the Ontario Nursing Home Association and the Ontario Association of Non-Profit Homes and Services for Seniors, around the end of February or 1st of March.

As the members of the committee would be aware, the estimates process within government is ongoing currently. The estimates for the Ministry of Community and Social Services and the Ministry of Health have to be confirmed before we know precisely what the Legislature is comfortable with in terms of expenditures in those programs. The commitment is still there to add $206 million to the approved amount that the government has available. We hope to share those specific figures with the provider associations as soon as they are confirmed. We expect that would be towards the end of February, first part of March.

At that time as well, we hope to present to all 500 long-term care facilities in the province—511, I believe it is—their individual ranking or their scoring. We refer to that as a case mix index, technically, the information that allows them to know how the nursing and personal care requirements of their residents compare with the provincial average. We'll also be providing information on various categories of home so that they'd have a better picture of how their care requirements related to other charitable

homes or municipal homes for the aged or nursing homes in their area.

So that would be the schedule for allowing facilities to understand not only how much money was available provincially but how they scored in relation to other facilities, and in addition to that, how much money would be available in the accommodation section of the budget, how much money in the quality-of-life programming section of the budget and how much money available in the variable nursing and personal care component of the budget.

1700

The Chair: Ms Fawcett, further on that?

Mrs Fawcett: I'm just wondering what administrators of the facilities should be doing now so they can get their budgets in order, because I know the one in Northumberland was waiting for this formula, and she's under stress from the municipality too, because the municipality has a portion of that budget, and how that all works. I mean, could something not have been said to them so that they could know that, "Go on last year's," or "Go the way you've always been going," or whatever?

Mr Quirt: We've written to each facility in the province to indicate that January 1 would not be the implementation date and that implementation would happen in the spring.

Mrs Fawcett: I realize that.

Mr Quirt: In my discussions and correspondence with particular facilities and with both provincial associations I've suggested that their best practice would be to budget on the basis of their existing budget for the previous year and not to plan on a major increase until the individual case mix index and their individual funding arrangements could be confirmed. Facilities have recognized the economic climate and have generally budgeted on a flat-line basis, spending the same as they did last year, or have perhaps planned on a modest 1%, for example, economic adjustment for their own operations. That's been an individual board decision, recognizing that the majority of facilities will receive a funding increase, but there will be some of the higher-cost facilities that are currently spending considerably more than the average, for which a commitment has been made that the existing level of support from residents and from the province will be maintained. In other words, no facility will get less money than it did the year before. So the safest and most prudent way to budget would be based on the existing level of expenditure in the facility, as is the case with hospitals and others.

Mrs Fawcett: If the bill passes, let's say, by the end of June and things then go into the new fiscal year, then possibly they would have to relook at their budgets and—

Mr Quirt: For the vast majority of facilities, they would be planning how to spend an increase in funding and they would have a commitment at a particular funding level until January 1, 1994, and then a new budget would be established based on the results of our classification in the fall of 1993. So facilities can either count on an increase in funding, the vast majority, or for a small percentage, if their current level of expenditure is quite a bit higher than what they'd be entitled to under the new funding arrangement, the commitment is there not to reduce the level of support and they would continue at the level of operating expenses they're at currently.

The Chair: Are there any further questions on this particular point before we move to the other issue? Ms Sullivan, on this?

Mrs Sullivan: Yes. I wanted to clarify the position of those homes which are now operating on a more expensive level than what the average will be. The guarantee is that they will not receive less funding than they have in the past. The question is I suppose relating to a freeze on further funding, and I think it was Baycrest that particularly raised that in our hearings, but of course there will be other significant homes—I suspect Providence Villa would be one of them—that would be operating at a higher level than what the average would be, and there will be others. What will be their position then in terms of the length of time that the freeze will last, and how are you negotiating with them in terms of future funding? Are you simply saying, "You are at the current level in perpetuity until everybody else catches up"?

Mr Quirt: There are cost control measures in effect now for about 38 of the highest-cost homes for the aged in the province—38 I believe is the figure—of 181 homes. Those 38 high-cost homes have had their cost increases limited to the provincial inflation factor for the past three years, I believe; it's either three or four years. My memory doesn't serve me well enough to know precisely.

Those facilities are probably among those facilities that would be red-circled or would have their current level of support protected under the new funding arrangement. A decision has not yet been made on the extent to which an economic adjustment factor would be passed through to those red-circled facilities. That decision can best be made once we have the individual funding levels of eligibility for funding for each of those facilities and the province is in a position to understand how many facilities have to be red-circled and what is the size of the discrepancy between the level of expenditure they're making now and what they're entitled to under the new system. I wouldn't want to speak about individual facilities until we understand the care requirements of the residents who live there and understand the amount of funding they would be entitled to under the new system.

The economic adjustments for our transfer payment programs this year, as you're all well aware, have been modest. No decision has been made about next year, but certainly small economic adjustments have been required because of the economic circumstances in the last two years. Those homes that are now subject to a cost control measure have been held to a maximum subsidizable rate, and for the most part they have operated below that maximum subsidizable rate.

The Chair: Are there any further questions on this? We'll move to Ms Sullivan's other point.

Mrs Sullivan: I think this would be useful to understand even if we don't have the specific figures: What is the kind of percentage discrepancy between the high-cost homes and what's probably the average cost?

Mr Quirt: I think I can best answer that by saying that each nursing home in the province receives approximately $77 a day for the provision of programs and services to residents. On average, charitable homes for the aged spend about $90 a day, and municipal homes for the aged in 1991 spent on average $118 a day. Some individual municipal homes for the aged and some charitable homes for the aged spent in excess of $150 a day, so there is a factor of two in some circumstances in terms of the level of expenditure. Without me knowing the specific care requirements of the residents in those facilities, I wouldn't want to comment on the extent to which they'd be eligible for that level of support under the new system. In global terms, our studies show us that there's no significant difference in the care requirements of residents in nursing homes and municipal homes for the aged.

Mrs Sullivan: The second question relates to how the schedule attached to the service agreement will reflect the capacity of each individual home to provide services and will also reflect the particular nature of the home that presumably would be preserved in a new agreement.

Mr Quirt: As you've pointed out already, Ms Sullivan, the first couple of pages of the legal agreement would be a standard agreement that would oblige the province to do similar things for all facilities and oblige each facility to adhere to the act and the regulations and the program manual. But the majority of the service agreement is specific to each particular home.

As you mentioned, there are three schedules proposed for each service agreement. All three of those would be tailored to the individual facility, and the schedules, of course, become part and parcel of the legal agreement. The three schedules are as follows.

There would be a schedule that would reflect the level of funding that the province was committing to for that particular facility, based on the size of the facility, of course, the number of beds in the facility and the requirement of the residents of that facility for nursing and personal care. That schedule would commit a certain amount of funding for nursing and personal care that could only be spent on nursing and personal care; commit an additional amount of funding for quality-of-life programs, things like social work, volunteer coordinators, occupational therapy, physiotherapy and spiritual care, that could only be spent on those things; and thirdly, would commit a certain amount of funding for accommodation services like administration, maintenance, laundry and housekeeping. That's the first schedule that, obviously, would be specific to each facility.

The second schedule would be a staffing schedule that would reflect the agreement of the province and the facility in terms of how many RNAs would be hired, how many RNs, how many health care aides and whether it was a full-time social worker or a half-time volunteer coordinator who would be on the staff of the facility during the year.

This would be in keeping with the third schedule, which would be a description of the program to be delivered to residents; if you like, the program purchased by the province from the facility on behalf of those residents.

1710

That program description would, with respect to nursing and personal care, talk about the ratio of RNs to RNAs to health care aides. It would talk about staff coverage on evenings and weekends and so on and reflect the understanding that the facility and the province had in that regard. It would go on to talk about the quality-of-life programs that would be delivered, and in this particular area it will be important that the agreement reflect the particular cultural or religious environment the home was intending to provide to its residents and also reflect the community that the home was serving—community in the context of within the facility as well as the community the facility was located in. It's in this area that we would hope to extend a fair bit of flexibility in facilities to tailor those programs and services to meet residents' needs.

To give you an example, the program and services in a rural northern community would be quite different, perhaps, from the programs and services offered in a Metro-area facility, where there are other recreational resources close by and so on: Spiritual care may be a more costly aspect of the programs and services or have a justifiable emphasis in a home that was offering a particular spiritual environment for people. So a mixture of things like social work, physiotherapy, occupational therapy, volunteer coordination and spiritual care and recreation would be noted in that program description as well.

During the consultation process, we heard from two different camps in that regard. Some people recommended that the province be very specific in terms of laying out what types of quality-of-life programs should be available to every resident regardless of which facility they were in and which part of the province. Another body of opinion held that we should be very flexible. I think in the final analysis there would be some basic expectations in terms of perhaps core services like social work or recreation, but some latitude would be provided in terms of how the rest of that budget was spent and how facilities best responded to their own individual and unique characteristics of the residents.

Mrs Sullivan: Let's speak specifically about a resident who is the only person in a home who requires, say, speech pathology. Would the program description in the schedule discuss not only what are the basic elements within that home but also what other services will from time to time be purchased?

Mr Quirt: Yes it would, and there would be a difference in how therapies like speech therapy would be provided. If, for example, a large facility had a large number of people for whom physiotherapy or occupational therapy was an important service, it may well decide to hire its own and show that position on the staffing schedule and use the programming portion of the budget to pay the salary of that person.

In the example you gave, if there was only one resident who required speech therapy, it would probably be most appropriate to contract for the services of a local speech therapist on an hourly basis or to purchase the services of

the speech therapist who worked at the hospital down the road.

In some communities, Brockville for example, I know there were discussions going on between the home for the aged and the nursing home across the road on sharing, pooling their resources in that regard, to hire some therapists and have them work in both facilities: One facility would look after the administration, but the staff person would be shared between facilities to make the best use of that position. So that would depend on how many people needed the service.

Quite frankly, in some communities the availability of those types of professional services is going to limit to some extent the ability to which homes can respond in precisely the way they wish. But those options are the kind of thing that would be discussed in negotiating the service agreement, and hopefully our staff would be able to facilitate that type of cooperative usage of scarce professional resources among facilities.

The Chair: I just want to check: Are there other questions others have on this agreement, or does anyone else have—

Mr Hope: Are we questioning or asking for clarification?

The Chair: I think it was to get clarification around the nature of the form that was being used.

Mr Hope: Now we're leading into some type of questioning though, aren't we?

The Chair: To me, this is informative in terms of how that would function. I think Mr Quirt is being very helpful to the committee.

Mr White: With respect, Mr Chairman, we have 11:30 tomorrow free.

The Chair: But if we can bring this to a conclusion now, I think it would help. I just wanted to see if there are any other questioners. If not, Mrs Sullivan, perhaps you could ask a final question.

Mrs Sullivan: I think this is the final one. I think it is useful to find out how these service agreements will work.

Mr Hope: You should read Hansard. Most of it is in there from yesterday, talking about the forms and everything.

The Chair: Mrs Sullivan has the floor.

Mrs Sullivan: Thank you for your intervention.

On the purchase of services with respect to, say, something that would not be an ongoing part of the services normally offered, would that be included in the program description so that in the event a resident required those services, that is a basic part of what must be considered available in that place, or is that something that would be added from time to time? What I'm trying to get at is, where is the flexibility in this schedule?

Mr Quirt: In the program description, it's very likely that there'd be a description of the range or kinds of therapy services that the general population would require. The program description wouldn't list each resident and say, "We expect Mrs Smith is going to need X physiotherapist visits and a couple of visits from a speech therapist." It would talk about a particular amount of the funding for programming earmarked for therapies.

It's conceivable that a resident who didn't need speech therapy one month would the month after. Where that particular service would be described would be in the care plan for that particular resident. Through a multidisciplinary review on a regular basis of the services a particular resident requires, the care team, with the resident's involvement, if at all possible, and the family's involvement, may determine that now speech therapy might be an appropriate service intervention. So at that point in time the staff of the facility would make that arrangement from whatever source was available in the community and have the program component of the budget available to purchase that service for that resident.

The Chair: Thanks very much. I think that has been helpful in making clear some of those arrangements. The committee will now stand adjourned until 10 o'clock tomorrow morning.

The committee adjourned at 1718.

Substitutions present / Membres remplaçants présents:
Carter, Jenny (Peterborough ND) for Mrs Mathyssen
Hope, Randy R. (Chatham-Kent ND) for Mr Drainville
Jackson, Cameron (Burlington South/-Sud PC) for Mrs Witmer
Jamison, Norm (Norfolk ND) for Mr Gary Wilson
Marland, Margaret (Mississauga South/-Sud PC) for Mr Jim Wilson
O'Connor, Larry (Durham-York ND) for Mr Owens
Sullivan, Barbara (Halton Centre L) for Mrs O'Neill
Wessenger, Paul (Simcoe Centre ND) for Mr Martin

Also taking part / Autres participants et participantes:
Arnott, Ted (Wellington PC)
Matthews, Ian, counsel, Ministry of Community and Social Services
Quirt, Geoffrey, acting executive director, joint long term care division, Ministry of Health and Ministry of Community and Social Services

Clerk / Greffier: Arnott, Douglas

Staff / Personnel: Gardner, Dr Bob, assistant director, Legislative Research Service

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Official Report of Debates (Hansard)

Thursday 4 February 1993

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Standing committee on social development

Long Term Care Statute Law Amendment Act, 1993

Assemblée législative de l'Ontario

Deuxième intersession, 35e législature

Journal des débats (Hansard)

Jeudi 4 février 1993

Comité permanent des affaires sociales

Loi de 1993 modifiant des lois en ce qui concerne les soins de longue durée

Chair: Charles Beer
Clerk: Douglas Arnott

Président : Charles Beer
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LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON SOCIAL DEVELOPMENT

Thursday 4 February 1993

The committee met at 1005 in committee room 1.

LONG TERM CARE STATUTE LAW
AMENDMENT ACT, 1993

LOI DE 1993 MODIFIANT
DES LOIS EN CE QUI CONCERNE
LES SOINS DE LONGUE DURÉE

Consideration of Bill 101, An Act to amend certain Acts concerning Long Term Care / Loi modifiant certaines lois en ce qui concerne les soins de longue durée.

The Chair (Mr Charles Beer): I now call this meeting of the standing committee on social development to order. We're meeting again to review Bill 101, An Act to amend certain Acts concerning Long Term Care.

ONTARIO MEDICAL ASSOCIATION

The Chair: Our first deputation this morning is from the Ontario Medical Association. If you would please take your seats at the table and be good enough to introduce yourselves for Hansard, then proceed. We have a full half-hour, even though we're a tad over 10 o'clock.

Dr Ted Boadway: Thank you very much, Mr Chairman, and thank you for having us today. My name is Ted Boadway. With me are Barb LeBlanc and Carol Jacobson, and we're from the Ontario Medical Association.

You have a brief that we've brought for you today. The brief that we brought follows the format of the legislation, for the ease and convenience of those who would be reading it, but our presentation will not. In our presentation we will hit some highlights, rather than try to do the entire brief, to give you an indication of a couple of the points we think are particularly important that we'd like you to address, if you would.

We'd like to say at the outset that we're pleased we've been part of the process of long-term care reform and have been active in that, and in fact we support this legislation. We think this legislation has the possibility of simplifying access and making a scheme which is more understandable and perhaps fairer, and we think those are all worthy goals which we hope will be achieved through this legislation.

We are going to address some issues in this legislation that are of particular concern to physicians. We think these are relatively minor issues that have come into the legislation which we hope you'll be able to see through with us. But generally speaking, we support the direction of the legislation.

First of all, I'd like to talk about entry to physicians' offices. I realize this isn't an issue in the legislation really at all, it appears, but in fact it is an issue when you look at the legislation and we hope you'll consider it.

The powers of the inspector allow the inspector to have a warrantless entry to physicians' offices, as it turns out, if you read the legislation carefully. We are firmly supportive of the fact that inspectors must be able to see the records—that's not a problem—and we're supportive of the fact that physicians must give up the records to appropriate authority—that's not a problem— but what is a problem is that in the physicians' offices in the community, and this does extend out into the community, it can be a problem.

It comes in this way: How many people can walk into a doctor's office and wave a piece of paper and get access to medical records? If you take the conscientious, careful family physician in your town, in your community, who would like to do it right, who would like to get it right, who does not like to make mistakes and give inappropriate access but who would like to give access to those with appropriate authority, what he needs is clarity and understanding of how that access will come about.

At the present time, if someone has a properly executed warrant, there's no question that this is appropriate access. We will shortly have a situation where advocates can, without a warrant, go into physicians' offices under the new legislation and see physicians' records as well. Under this legislation we will now have another person who will have a piece of paper that he will be able to come in with and look at physicians' records.

We think this should be clarified. If there is a clear, overriding public purpose in allowing this, it should be so stated and we should make sure everyone understands it. Quite frankly, we think this could be accomplished by using warrants.

It's a problem for physicians in that most of the family doctors in your community will not understand this legislation well—I think they can be forgiven for that; that's not their business—and they don't know what we're doing here today. When they don't understand it, and the more people you have that can get access, the more likely there will be a mistake.

There will also be confrontations when physicians will not want to give access to people they don't really understand have appropriate authority. We get questions at the association all the time, rather urgent calls from physicians, because of people seeking authority and they wonder about seeking access and they wonder about their authority.

I'm afraid to tell you that scams in physicians' offices from various people are commonplace—people trying to seek entry, showing things that aren't real—and we help doctors sort this out. We would like it to be as clear, as unequivocal as possible so that physicians do not make mistakes.

I think if you look at sort of an industrial model, what you'd like to do is design a system that helps people get it right as opposed to designing a system which introduces any confusion where it's more possible to make a mistake.

The second issue I'd like to address is that of the appeal board. We have a specific question that has to do with

subsection 20.4(4). It specifically says, "Not more than one of the appeal board members holding a hearing under this act shall be a physician." We wonder why this specific exclusion. When we look through the papers presented explaining this act, we can't find why this specific exclusion or where it is explained. It seems to be not a useful thing to us.

First of all, one member may be a hearing's sitting—it only requires one member—and one member may be a physician, so it appears that one physician can be an appeal board and can make a just and fair determination. However, to get two or more of the varmints together is when the trouble begins.

I really wonder where this is coming from. What is the attitude behind this that gave rise to this? Quite frankly, the wording, as it sits, is deliberately and precisely discriminatory. It is causing needless bitterness and is unnecessary. The appeal boards will sit at the pleasure of the chair. If there is a problem with the membership, I am sure the chairs of those committees will see it is looked after, but to name it so specifically in legislation is not wise, in our opinion. We hope you will see fit to clarify this quickly and remove it.

The next area I'd like to touch on briefly is the hearings: who can be a party to a hearing. We think it should be stated in the legislation that health care providers can be a party to the hearing. Quite frankly, it's unlikely that health care providers will want to be party to the hearings most often, for obvious reasons, but there are times when in a patient's best interests or on behalf of a patient, perhaps the health care provider, being the person who knows the patient best, by being a party to the hearing could be of assistance to the patient and of assistance to the hearing board. We think it should at least be possible for them to apply to the board to become parties to the hearing and it be at the appeal board's discretion rather than having an absolute right.

There are two more issues I'd like to touch on briefly. The first is the words "examinations" and "tests" that occur in the legislation. When I first read this part of the legislation, I must confess I read it differently than it's intended and that's because of my health care background. You read things kind of where you are, and examinations and tests in health care mean you sort of invade people's bodies often, take bits and pieces of them and things like that. On the other hand, in the legal sense, I don't think that's what's meant at all.

Bear in mind that many of the people who will be reading this legislation will be health care providers, and they will come from the same background, bias and vocabulary that I do. So we were wondering if it would be possible to clarify this language. I don't think the intent of this legislation is that inspectors, whoever, can go in and take blood samples or biopsies or perform physical examinations. I do not believe that's what's intended, but I think in the context of health care, clarification could be served.

The Chair: It gets a bit ghoulish.

Dr Boadway: Access to records in physicians' offices, one more time, from a slightly different point of view: We agree that physicians should provide access and probably should provide intelligible records, a challenge for some of us. We only have one request, and that is that it be at a mutually agreeable time. We wonder if it's possible to signify this kind of cooperation in the legislation so that it would be a convenience for all in the future and prevent misunderstandings.

Thank you very much for listening to our presentation, and we'd be prepared to answer questions as you see fit.

The Chair: Thanks very much, both for the presentation and also for a series of, I think, quite specific questions.

I wonder if the parliamentary assistant would want to begin. He was very enlightened yesterday and I wonder whether he feels that same light in terms of responding to some of those questions, or wants to note them for further review.

Mr Paul Wessenger (Simcoe Centre): I think it might be helpful if we perhaps asked counsel to indicate some of the more technical answers with respect to the questions raised, if we might ask legal counsel here today.

The Chair: Fine. We'll just pause for a moment.

Mr Wessenger: On the advice of legal counsel, it's suggested that perhaps we should undertake to provide them with a response, perhaps in writing, to some of their concerns, rather than attempting to do it today.

The Chair: All right. Did you have any questions at this point that you wished to raise? Mr Hope does, but because I started with the parliamentary assistant—

Mr Wessenger: I would just like to make a comment and thank you for your very specific and detailed recommendations with respect to this legislation. It's not often that we get these detailed suggestions for changes and I'd like to thank you for them. Certainly, the issues raised are somewhat interesting from a legal point of view, and I appreciate your having raised them today.

Dr Boadway: Thank you.

Mr Randy R. Hope (Chatham-Kent): There are a couple of areas which I want to touch on, the areas dealing with the warrants. What type of warrant would you be looking for, one that's approved by the crown or justice of the peace in order to access, or what type of warrant would you be looking for to access information?

I understand what you're saying. You've got to be careful that you're not giving out somebody's personal information. I'm wondering about a control mechanism. Do we go to a justice of the peace? What type of document would you be looking for for that access paper?

Ms Barb LeBlanc: We would be considering justice of the peace.

Mr Hope: Justice of the peace. Now, you were making mention about appropriate times to meet with doctors. In rural Ontario I find it very difficult. It's even hard enough to get a doctor's appointment, and I'm wondering, how are we ever going to come up with a compromise to that effect?

Mr Jim Wilson (Simcoe West): You guys have too many doctors. I thought there were too many doctors.

Mr Hope: Forget about the comments that are made over there. How do we actually come up with a compromise?

Is there an appropriate time? I know with most, even my own physician, it's usually two weeks before you can get in to see him and stuff like that. What are we looking at as regards appropriate? You're looking for lenience in making accommodation, and I'm saying there has to be at least a maximum.

1020

Dr Boadway: I agree, and I think that would be appropriate. What is not appropriate is that I arrive now and I'd like to do it now. Very often, you'll inconvenience a whole lot of people when you do that, especially if you want a couple of hours—

Mr Hope: That's right.

Dr Boadway: —so your office will be even worse than it was when you started, for you too. It would be reasonable to consider that it has to be accommodated within so many hours—I don't know if you said 48 or 72 hours—so that the doctor couldn't put you off for ever if the doctor was unreasonable. We want both sides to be reasonable here.

Mr Hope: That's right.

Dr Boadway: I think working on something like that would be a fair way to do it.

Mr Hope: I know in other pieces of legislation they specify in certain professional areas that there only be one on appeal boards. I'm wondering why you find that offensive. If I heard you correctly, on the appeal board it says not more than one can be a doctor. I'm just wondering why you find that offensive.

Dr Boadway: It doesn't say not more than one can be a health care provider. It doesn't say not more than one nurse, not more than one lawyer. It doesn't say anybody else. It's physicians in particular, and we have difficulty coping with that.

Mr Hope: So you're saying if we were to maybe broaden the scope, how do we put control mechanisms so it doesn't become—and I'm speaking from a client perspective; my wife has a grandmother in there and my parents are old enough too. How do we allow that we're not getting locked up in a professional model aspect of a doctor—nothing against doctors; just how do we make sure we're getting a balance in an appeal process?

Ms LeBlanc: The appeals process is set out under the health appeals that are already in place, and under that it clearly specifies that there be balance between lawyers and physicians as it sits now, but that could certainly be expanded upon.

Mr Hope: I don't know how much time I've got left, but in general what you might be saying is that there has to be, instead of labelling specifically, not more than one profession—would that be appropriate?—on an appeals board.

I'm looking for ideas. You're asking us, why did we label it? I don't know the answer why it was labelled specifically, so I'm trying to say, okay, you don't want it labelled that way; what are the alternatives to us? Do you put in the legislation maybe that not more than one specific profession be allowed on the appeals board? How do we phrase it?

Dr Boadway: Remember that the subcommittees or the sitting appeal boards are chosen by the chair of the whole process. It's the chair's responsibility to find balance, and at the present time the chairs do find balance as they strike the appeal boards. I can't imagine that they'll abandon that role, because it's mandated that they do so in the legislation, so I think you can leave it to them; or if you want, you could put in that there be a balance of types of people, if you want professionals, health care professionals and non-health care professionals. You could put that in. You could remandate balance, so to speak. That wouldn't be a bad thing.

I suspect part of the problem comes from the fact that a fair number of people who sit on the appeal board are either doctors or lawyers. I really think you should at least put lawyers in. At least everybody could agree on that one.

Mr Hope: Not me.

Ms LeBlanc: I think, to just add an extra comment there, you have to realize the legislation also specifies that one person alone may constitute a hearing, so you've got to be a little bit careful about how you start to specify who those persons are.

Dr Boadway: And with the number of appeals you're going to have, if you don't have an ability to strike relatively small panels, you will not be able to handle the volume.

Mr Hope: Yes.

Mr Jim Wilson: Thank you, representatives of the OMA for, as usual, an insightful and very useful brief to members of this committee.

I just have a couple of questions; actually, I've quite a few questions. I'm having déjà vu all over again when it comes to inspectors and warrantless entry. I recall, as other members will, the debates we had with this type of material that was contained in the advocacy and consent to treatment legislation and I understand your point very well. You'd probably also like a "reasonable grounds" test, probable and reasonable grounds as a basis for the warrants. We will endeavour to do what we can in my caucus to try to push the government towards that position.

I did want to ask you a bit about the placement coordinators. You made the point, I guess more contained in your written submission than in your oral submission, about who would do the pre-admission assessment. I'm surprised at this point in the process that you wouldn't have an answer from the government on that. It seems very clear to me that it would require a physician and that it should be clearly spelled out in the act. Do you want to elaborate on what you're looking for in that part of the act?

Ms Carol Jacobson: The way the legislation is written, it refers to the eligibility. The eligibility for admission would be done in accordance with the regulations. The concern we have is that we're not sure what those eligibility criteria are. The way it is stated in the legislation right now, the way it is written, it suggests that the placement coordinator is doing the assessment. Whether they'll be utilizing information from the physician is unclear. We wanted to ascertain and to ensure that the impairment data,

the impairment status of the individual, would be received and would be available in order to facilitate the placement coordinator's determining eligibility, so we had concern because of the lack of clarity at this moment, the way the legislation is written, as to how the determination would be made.

Dr Boadway: Quite frankly, Mr Wilson, it was difficult for us to know what to recommend. We talked about this a fair bit. We wanted to make a more concrete recommendation, as we did for other things, but because most of this will be handled in the regulations, according to the legislation, it was difficult for us to know what to recommend to be put in the legislation. We can't recommend what goes into the regulations to you folks, so we didn't know what to do and decided to flag it as an issue—you rightly picked it up; it's in our brief—and hope that we can work it through as time goes on.

Mr Jim Wilson: I gather you've been involved in the process, the 10 criteria spelled out in the draft manual for eligibility. Did you have any comments there?

Dr Boadway: We believe that the role of the physician is not yet well enough fleshed out. The role of the physician and what he should and should not be expected to do is, we think, important. It may come as a surprise to you, but physicians do not want to be the gatekeepers to this system. There's some idea about that physicians are the gatekeepers, number one, and that somehow they're tenaciously hanging on to this role, number two. We are not the gatekeepers now, and about the last thing we'd like to be is to become that. But at the same time, we think that the role of the physician and the information that he should appropriately supply need to be more carefully defined. We believe it is not yet.

Mr Jim Wilson: You also talk about a reassessment if someone's been on the waiting list for a while.

Ms Jacobson: There is concern with the population that will be dealt with. The condition of elderly people can change very rapidly in a short period of time, so there is even further concern if they are on a waiting list for a period of months and feel that the assessment or the determination of eligibility might have to be reconsidered and that, again, this is not clarified within the legislation as written.

Mr Jim Wilson: Thank you. Your comments make perfect sense. I think I understand the rest of your comments and we'll leave it at that for now.

Mrs Barbara Sullivan (Halton Centre): I have a number of questions to put to you with respect to your presentation, which, once again, is welcome. I think the issue you've raised with respect to access to records is one that the government must consider, having the experience that we all are familiar with from the consent-advocacy legislation. Clearly, the argumentation has been made. The issues are very well known. Recent court decisions have added to those. The entire issue of consent to the records is another issue that has to be included there. We will certainly expect to see some movement and clarification in the legislation with respect to access to records.

There's a double use of the word "records" in the bill, it seems to me. One of them is with respect to access to records by the inspector; the other is access to records by residents' councils and so on. The use of the same word, it seems to me, is also confusing for what I think is an intent that is quite different. I think there is going to have to be some clarification in that area.

I want to ask you, on the placement coordinator issue and the request for admission and so on, have you been consulted in the development of the manual?

1030

Ms LeBlanc: No, assuming we are talking about the large manual that's now—

Mrs Sullivan: Yes.

Ms LeBlanc: We've been asked to comment on the first draft. We were not involved with the development of the manual, and we're pretty much expected to confine our remarks to the medical standards, so at this point we have not had a lot of input into the development.

Mrs Sullivan: Clearly, once again the lack of knowledge that we have as a result of so much of the information being in regulations is problematic for people on this committee and for others and for professionals as well, but as I look at the draft form, which we now have, which is basically the request for admission, the listing of services which have been asked for is very sketchy: List the institutional care received by the applicant, which kinds of professional treatments have been received by the applicant on what frequency.

One of the things that I think would be useful to have clarification of is where in fact the actual medical assessment of the person is taken into account. We see the sections 1, part (a), part (b), part (c), part (d) really affecting the social surround of the person in somewhat less of an effective manner, I think, than a lot of groups want, but where the medical determination fits in in terms of classification, there's got to be that element in the initial assessment of the person so that the placement coordinator has information. I just don't know that these forms—and I don't see Mr Quirt here today, but perhaps somebody else from the Ministry of Health can talk about how that medical assessment and experience is going to be included in the assessment process. These forms are pretty thin.

Dr Boadway: That is the point we're making, in that we realize that the medical assessment is only one part of the spectrum of things that need to be considered, and in some people's case it would only be a narrow segment; in others it'll be a much larger segment of what needs to be considered. We think it needs to be fairly clearly defined, though, how it will be handled, and we find that lacking at the present time. So our concern is in that regard.

Mrs Sullivan: The other records issue then as well becomes the access to the individual patient record by the placement coordinator, and if the placement coordinator is more than one person, to perhaps an agency. That has to fit into that surround as well.

Could I just have one more question? We've had some discussion with respect to the entire inspection scenario. The quality assurance wording that's used in the bill we

suspect is a drafting error, that a quality management program was envisaged. That, however, leads into a different enforcement mechanism. Nursing homes have been using a compliance monitoring system. There has been discussion about whether the legislative wording can be altered to ensure that it isn't a jackboot kind of enforcement but there is peer review and the multidiscipline service approach can be taken into account in that compliance. I wonder, given your experience with change in terms of inspection monitoring, if you'd like to comment on that issue.

Ms Jacobson: We actually did make comment in our submission and talked about the fact that we thought the legislation should be written so that there is flexibility, rather than mandating the methodology that's used, so that the various institutions etc would have the flexibility to ensure that they had ongoing quality improvement activities that were happening rather than having one set method, because, as you say, of the changes that are happening and the ongoing nature of care that is needed. It should be a dynamic process as opposed to just one methodology.

Mr Larry O'Connor (Durham-York): Could I ask one brief question, following Mrs Sullivan's comments, on the medical report?

The Chair: Very brief.

Mr O'Connor: Would you suggest we put something on the application form or something that might make it as easy as possible for the doctor, the physician, to send some recommendations to the placement coordinator? Would it be a form?

Dr Boadway: Yes. I think what we need to do is to look at the specific kind of information that should be requested from physicians. We think physicians are very good at providing impairment information. That's their business. They're good at assessing that and telling you about it. Quite frankly, we're prepared to work on that with people to get that result, but that's the nature: the impairment information that should be transmitted. What needs to be determined is the kinds of impairment information that would be useful to the eligibility determination process, and then we can tell you how we can provide it.

The Chair: I think there have been a number of questions and issues which you have raised and which also have come up in the questioning by all members of the committee. Those, of course, are part of Hansard. We'll be dealing with those, and the parliamentary assistant as well has noted that they'll be responding to you on those. We want to thank you very much for coming before the committee.

Dr Boadway: Thank you, Mr Beer.

ONTARIO ASSOCIATION FOR COMMUNITY LIVING

The Chair: I now call our next presenters, the representatives from the Ontario Association for Community Living, if you would be good enough to come forward. Welcome to the committee. Would you be good enough to introduce yourself for Hansard, and then please proceed.

Mr John C. Miller: I first of all apologize for being on my own this morning. It was intended that our president, Cheryl Easton, would be here with me this morning, but the government aren't the only people who are reshuffling this week, so we're having to make some adjustments this morning around our lobbying to find out who's who, and we felt that was probably more important.

I think the presentation we want to make has been distributed this morning. Really our intention is to raise four particular issues.

The Chair: Maybe I missed it, but did you introduce yourself?

Mr Miller: I'm sorry; I didn't. My name is John Miller and I'm one of the community living consultants with the Ontario Association for Community Living. I have a specific policy focus on long-term care and the multi-year plan.

The four issues we would like to address at this point, a year after having made our presentation last February to the consultation process—some of them specifically relate to activity and suggestions contained in Bill 101, and I'll get to those at a later part of the presentation. The others really appear to us to be, at this point in time, questions that we feel there are really no clear answers to. I think this is not necessarily a matter of reiterating the issues that we raised in our first response to the consultation process, in the sense that we feel now that some of the issues that were present then may be now more acute. I will go through them one by one.

On the interministerial activities related to long-term care, I guess our comments would be both positive and negative. One of the things we're encouraged by is the fact that a number of ministries are now actively involved in planning together around possible implementation. One of the comments we would like to make is that possibly that team isn't quite wide enough, and there seems to be an obvious emphasis around the ministries of Health, Community and Social Services and the new long-term care division.

We see the Ministry of Housing being very specifically involved in a lot of the implementation, in particular with reference to recent changes around delinking of residents and the care component of the residential and housing services. We feel that if that linkage and that team planning doesn't take place, what will happen is that policies that relate to the key ministries may not move at the same rate, so that when we come to implementation we may find that we've got some further ahead than others and the changes that need to be made in tandem may not be considered, unless there is a kind of holistic cross-ministry approach to the developing implementation.

1040

The other aspect which we feel is now more critical than it was a year ago is that when we responded to the long-term plan consultation paper, things were different from where they are right now. There are two significant points we'd like to make. One is that the economic climate wasn't quite as acute as it is, but I'll come to that later when we talk about sustainability. The other, more dramatic part of our concern is that community-based services, and especially those that relate to people who have been identified as having developmental handicaps, have been seen traditionally, probably for about 35 years—and we accept a

major part of this responsibility—as being specialized segregated services in the sense that we have given the community, and maybe other ministries, a clear impression that you have no responsibility, that we will care for those people.

That has dramatically changed. Over the last two years, we have been listening to the people we advocate for and many others in the community. The whole concept of community inclusion and people with developmental handicaps being seen as Ontarians in this context, rather than people with other labels—we feel is inappropriate and must actually form the basis of probably not just a delinking process for us, but over the next 10 years a possible dismantling process.

A very large amount of the provincial budget, especially the MCSS budget, almost reinforces that. In fact, it's almost an indictment of the whole idea of labelling. When you look at MCSS's budget, out of the big chunk of social assistance, people with developmental handicaps are the only people who are recognized as having a section of that pie. There is no other labelled group in Ontario. We talk about adults, we talk about children, we talk about other people in that MCCS budget, but the only group of people identified by their label are those people with developmental handicaps. It's known as the DH services budget.

We feel that we have to move, and we are moving, away from that process. Our organization's vision and our direction is that people with developmental handicaps have a right to have available what we would refer to as the ordinary resources of the community, and in that respect we see long-term care becoming one of those ordinary resources in its modified form.

I'll move on from the interministerial activities to sustainability, and this is another area we feel is probably now more acute from a couple of points of view. There are a number of current community-based social and health services which are at risk. I think that situation has deteriorated considerably since a year ago. As Mr Beer will remember, a number of us were on the lawn here a few months ago trying to tell the Premier about the effects that other suggested major cuts in social service spending may have on those existing community services.

One of our major concerns is that as we move towards a redirected system of long-term care, there are a couple of things that are absolutely crucial to people. One is that people, as in any other service, can or will become dependent on the services that are currently available or the promise of services that are to be redirected or reallocated. There's a great level of responsibility that says to myself and yourselves that if people are to be dependent upon them, those services must be sustained. I guess we have some very serious concerns about possibilities of major cuts, not just to future services but to the existing services.

We see a possible solution to this, recognizing the real world that we all live in, as being some very solid transitional steps towards that change. In other words, don't let us move into a new system by removing existing systems and leaving people unsupported in the transitional process. In simplified form, that is really what we're saying.

The third point we want to raise is around the question of inclusion of persons with developmental handicaps. The first thing I want to say is that I really do appreciate the support we have had by, in fact, the gentleman just coming in right now and Margaret Marland and a number of other people who have raised a number of times that in the definition of "disability," people with developmental handicaps appear to have been omitted from long-term care.

What I would like to do this morning is clarify our position on that. We are not asking that the label "developmental handicapped" be included in the definition of "disability." What we are saying is that all Ontarians, no matter what their labels, should, based on presenting or self-expressed need, have long-term care available to them.

People with developmental handicaps become old, some of them are physically handicapped in addition, and what we say is, please, let's develop a system at this point in time that doesn't respond to labels but responds to people's needs. In simple terms, that is what we're saying, but we do appreciate the comments that have been made.

I went through the copies of Hansard a few weeks ago looking over the last year or so at the number of points that have been raised about our apparent exclusion. The fact that I am here this morning means that obviously we feel we are included, and we are making that assumption because the people we support we recognize as being Ontarians first, maybe Canadians first.

The last point I want to raise is about person-centred funding and planning. Here again, one of the pieces of Bill 101, part IV, which is the suggested amendments to the Ministry of Community and Social Services Act, we really applaud. Our organization and many others have been pushing for a number of times for a system that does not provide agencies with the money to provide individual services, but in fact can provide people with the money so that they can purchase those services and supports as they deem most appropriate. So we really do applaud that suggestion.

The major point we want to make around this is that there's been a great deal of discussion about community-based services. The buzzwords that seem to be connected with them over the last year have been "portability" and "flexibility." We don't wish to be cynical about that, because in fact we applaud that process. What we're saying is that they must go further than portability and flexibility. They must be self-directed, self-administered where possible, maybe with the addition of the support of an advocate in the case of many of the people we support.

In this person-centred funding, and mainly because it's another part of my professional portfolio, we wish to make comment at this time, as we did a year ago, about the lack of news about where the first nations aspect of long-term care is at. We understood that there was to be some separate discussion and consultation process with the first nations.

The Ontario Association for Community Living over the last two years has made a great deal of progress in attempting to support people of the first nations to provide their own programs within their own context and in their own communities. We feel this person-centred planning approach to the delivery of service responds very favourably to the context in which native people live.

I think the last comment I would like to make, and I'd be very happy to answer questions, is that I guess if we're

disappointed about anything, I think we were looking forward to something a bit more than Bill 101 at this point in time. I think what we were really looking for was some suggested legislation that gave the broad brush strokes of what long-term care would look like.

We recognize that the purpose of Bill 101 was to amend some of those acts that need to be brought into line with the new system of delivery of service. That's fine. I guess we're maybe in a little more hurry than others might be in that regard, and we recognize some of the other things that are on the floor of the House that obviously have to take priority, but perhaps we could make that comment and have that registered.

We are looking forward in the next six months to a year to some clear indications about what long-term care will begin to look like and what sort of legislative support it has.

The Chair: Thank you very much for your presentation. We have a number of questions. We'll begin with Mr Jackson.

1050

Mr Cameron Jackson (Burlington South): Thank you for an excellent brief. It's sort of hard to ask you questions about the process when in fact you're on the outside looking in, but there are some ripples—the fact that you're not included, and without dwelling on the other aspects impacting on differently abled people with community living. The multi-year plan has been abandoned; there's complete uncertainty now about deinstitutionalization which is a parallel policy issue to long-term care. There's no question about that.

But what I'm hearing from my local association and the meetings we've had over the last couple of weeks is that for the current community-based model for community living there is now a door being opened so that members of the disabled community are going to come in and start utilizing those precious few spaces.

You understand what I'm saying, but for the benefit of the committee, the fact that there's been no decision or inclusion of community-living clients—and now we're starting to see that the few community-based beds out there available, we're being told, should be shared with somebody with muscular dystrophy, multiple sclerosis, or whatever. This has caused shock waves among those associations who read the recent policy changes of the government. I wanted to raise it and I'd like to get some feedback for the Hansard record.

At no point has this been raised yet in the Legislature or in a committee, because this is very recent that the adjustments in the contracts with community living, the group-home-type community-based settings, exist. So it has the potential of a double exclusion. Could you comment about the at-risk of access for a community-living candidate?

Mr Miller: What you've raised is extremely complex. A couple of points I'd like to make in response—one of the reasons my job includes both the multi-year plan and long-term care in my policy work is because we consider them to be interlinked. The draft plans for multi-year plan 2 have a statement in them that in fact indicates that the success of the plan is contingent upon working together with a long-term care development. That is the only piece of paper I've seen that linkage made, outside of my own organization.

I didn't comment on this, but it's in my brief. One of the parallel concerns we have around long-term care and a multi-year plan is that they were both based on the same assumptions of sustainability, and that was that you can close institutionally based services and move that money to community-based services. I think we have proven, without a shadow of doubt, that those assumptions made five years ago in 1988 when the multi-year plan started, have proved to be somewhat false. I don't mean totally false.

We have now been left with a major problem, as Mr Jackson has indicated. I hope you're not right about the MYP being abandoned, but it is certainly in difficult times. I recognize that. The assumption was made that money would simply flow as people flowed from institutions into the community. That turned out not to be true. Increasing costs of running facilities; to some extent union protectionism of trying to keep people's jobs intact and the facilities that were housing those people; on top of that, the provincial and federal economy—I hope we've learned something from the multi-year plan that will affect those issues in long-term care.

To get to your last point, there are some aspects of what is happening right now that we support. I think it has to be clearly understood why we support it. For instance, this de-linking of residential care and the care component, we support that process. However, we recognize that again a process of that magnitude—the implementation in transition from the point we're at right now, which is a very specialized and segregated system already overtaxed. We have people with developmental handicaps who are still on the waiting list for community associations.

If transitional steps aren't made and we simply do open up and we become, maybe the best word is more "generic" in our support, we obviously are concerned about how we weaken the system for the people we specifically advocate for right now. I think that can be done and I think that can be done successfully, but it needs people to sit down and make some very good plans and have slow, incremental successes so that you move from where we're at now to where we—

Mr Jackson: One more brief question, and that has to do with the importance of linking long-term care with, for want of a better expression, the multi-year plan and the philosophy of that. We get many requests from the typical family where there is a child with Down syndrome. The child is now 40 years of age, the parents are 60, and the parents become prime candidates for intervention and care. They're both having difficulty because of all the work involved with caring for a child at home with Down syndrome.

The vision was that we were finally to give some relief and that the community intake would occur in tandem with deinstitutional intake and that we'd provide some relief and some hope. Now we know of some severe cases where the family collapses, you have to hospitalize the two parents,

and the state walks into the living room and says, "We've got to put this person in a nursing home."

We know that's what's not going to happen, but what will happen is the question. Therefore it strikes me that we have a large number of Ontario residents, families with a Down syndrome member, for whom it seems almost foolish that we'll have a system in place to go and look at the needs of the parents and not look at the needs—but if we'd provide the care and integrate the differently abled member of the family, then the need for the heavier care for the parents would be relaxed.

It just seems more economical, more fair, more just and more humane, and yet we're not moving in that direction. We just don't have answer, and I think that's a flaw in this legislation. Would you like to comment?

Mr Miller: Just one short comment on that. One thing that we feel exacerbates the progress with the MYP and the long-term care is the growing concern we have, not only for aging parents of people with handicaps but for aging people with developmental handicaps.

Mr Jackson: Yes.

Mr Miller: At the moment we have no clear messages whether or not responsibility for care and support of those people rests with the multi-year plan or with long-term care.

Mr Jackson: Or just with the state.

Mr Miller: Exactly. It makes it very difficult for us to plan when we don't have those indicators.

Mr Jackson: Exactly. Thank you very much.

Mr Drummond White (Durham Centre): There are a couple of areas which I just wanted to try to touch on. As you know, the minister and the Premier met with the group just before going out on to the lawn and some of us didn't have the opportunity to speak to the group. But I think it was clear from the indication of the Premier and the minister that there is clear support for the multi-year plan and the long-term care as being in conjunction. Now how does it fit and how does it work in the model?

We also know some of the developmentally handicapped have a number of physical problems, so there are avenues which will accommodate. I know in the ministry we've been very supportive in consultation and working with the groups and making sure that positive steps are put forward.

But when I was looking at your presentation, what you very clearly put out was your support for the independence of individuals to choose services. There was a presentation made to us here in this committee, and you know we're hearing all points of view, but one of the groups had made reference that we ought to put provincial standards in place for the care that's going to be provided for the individuals.

I'm wondering as an advocate who is out there supporting developmentally handicapped and also supporting a number of others—your role probably as a volunteer just expands after that—do you see provincial standards as being a part of criteria that have to be in place? Doesn't that affect the independence of an individual?

Mr Miller: Off the top of my head, the first thoughts that went through my mind when you raised this was, it would depend on who developed those provincial standards and what they looked like.

One of the things that we are trying to do, and have been doing for some time, is include the people we support in giving us ideas about where things should be. In fact, our organization right now is going through a process where we're rewriting our standards and quality of care and quality assurance stuff right now. We are including very heavily people whom we support in that input.

I'd be very cautious and very nervous about that in the sense that sometimes provincial quality assurance can be meaningful, very insightful and very useful, and sometimes it can be extremely bureaucratic and impersonal. I really don't have a direct answer to that. It would depend what it looked like.

1100

Mr Hope: Right. I just wanted your viewpoints since you're an advocate on behalf of those people. I want to make sure that I'm clear in trying to balance out the arguments that are coming before this committee on how we really draw up standards and how we put in regulations and legislation. But I'm just curious; you've indicated the one true support that I've seen you've brought out. In the legislation, are there other major areas that you find are approved?

Mr Miller: In Bill 101?

Mr Hope: Yes.

Mr Miller: I guess the other parts of Bill 101 don't directly relate to our mandate. The one thing that excited us was the section the Ministry of Community and Social Services changed, because that is something we've been fighting for for a long time. I obviously am optimistically cautious about that because I haven't seen what the proposed regulations and the implementation of that might look like.

But it maximizes for us the use of the Ministry of Community and Social Services Act in what we consider the most appropriate manner in the sense that it has always been considered by us as one of those acts that's got very few limitations to it, and now you've actually removed one more by not having to go through the process that was in the MCSS act before Bill 101 suggested it be changed and the other part removed.

We see the other parts as government's necessary readjustment of the current system to try and get all of this working together, and I really have little comment on the rest of Bill 101 other than the overall one because we hoped it would have a bit more in it than it does.

Mr Hope: Just to put to rest some fear out there that the multi-year plan, if I heard it right, was being abandoned. To my knowledge, it has not been abandoned. As a matter of fact, there are working groups out there trying to establish the phase 2 aspect. That just shows the government's commitment to long-term care.

I have a new minister and I have to wait to talk, but I believe it's the same government policy. I don't believe it will change. It's making sure that we can cover the elements of disability, because not only do we have developmentally handicapped, we also have brain-injured and

autistic children. We have a number of disabled categories, but I know the government support is still there and I think that was clearly brought to the association today.

Mr Miller: This discussion isn't around the multi-year plan, but in terms of a comment on that, I recognize Mr Jackson's comment and yours, and I'm not trying to take a middle-of-the-road approach here. It isn't abandoned, because over my dead body and a number of other people's will it be abandoned. However, it is in real trouble, and I think the slowing down of the deinstitutionalization process is largely as a result of two things: the state of the economy and some not particularly good planning in the early stages of the multi-year plan.

I'm not criticizing anybody or any group in particular, but there was a bit of lack of forethought in the early stages. For instance, a lot of the large institutions that are not closed really don't have target dates to close, like Huronia Centre and Rideau Regional; they are some of the very large ones. Muskoka Centre and a few of the others will be closed probably within this year, and that is really important. I don't think it's totally abandoned, but I think it's going to need a lot of support and advocacy to keep it alive.

Mrs Sullivan: I couldn't agree more with your comments with respect to the transition phase and the difficulty of moving from an institutional base where that's appropriate to community-based services when there's a lack of incremental enhancement of the infrastructure for that move.

I want to ask you specifically about Bill 101 and the direct funding; it's provided for disabled in Bill 101. I was disappointed that the minister indicated that even for a pilot project she required legislative change to a different act and that the pilot could not proceed.

We've had some testimony in front of the committee that is strongly in favour of direct funding, not only of people who are from the disabled community but also for seniors, who ought to have the right to choose their own services and the place where they receive them.

I wonder if you could describe for the committee any models that you have seen with respect to direct care. I am frankly disappointed that the pilots did not go ahead. I think there would be many models that would have been useful, and it would be useful for you to describe some of the models with which you have familiarity and how they can be put into place.

Mr Miller: I would say one of the most successful models we have seen is probably special services at home. The process and the manner in which that is undertaken—something like 8,000 individuals and families in the province of Ontario are now making use of this, and it has almost all of the essential ingredients of a good person-centred, individualized funding approach. It is limited, by and large, to children. But that model and that implementation approach has nearly all of the ingredients of a successful system in it.

Again, one of the concerns we have about that is, how sustainable is that? But it is extremely successful and it answers one particular question, one very specific question, and that is that nearly all of the other services that are not individualized tend to become static. In other words, a person has to almost live where the services are.

The other aspect of it is this, if I can draw the analogy: If we all have vision problems and we all need glasses, we don't all need the same glasses. That tends to oversimplify it, but to me that is sometimes how service delivery is produced. Individualized funding and planning means that the person, maybe with the help of an advocate, can help to develop a plan, cost the plan, find out from whom he or she would like to purchase it and maintain it along those lines. Special services at home is probably the best model I could suggest to you.

Mr Hope: Mr Chairman, before you go on, there was a point brought up about the pilot project again and I thought we clarified that through legal counsel, that the legislation needed to be changed. I just wanted the record—

The Chair: That was raised. I think Ms Sullivan was just simply noting it. We've got that on the record. I don't think we need to go back.

Mr Hope: I just wanted to make sure that we're not—

The Chair: I think there's a difference of opinion and we'll just leave it at that.

I have not often, as Chair, made comments or asked questions, but I wonder if the committee would mind, given that at one point in my life I had a fair bit to do with your association. I was going to just raise the point which you just raised. My experience, in the short time I was minister, was that the program that really did seem to have a tremendous amount of flexibility to it was the special services at home. In those early days when we had started the long-term care process—and I can say quite openly, I think, with the multi-year plan having, as I think the present government finds, a clear sense of direction—but there were some problems and I wouldn't want to suggest that everything we did was perfect.

But it was then trying to say, okay, what do we do then with respect to the developmentally handicapped and, as you noted, both the seniors as well as the problems around senior parents of no longer children but perhaps developmentally handicapped who were in their 30s or 40s, and so in particular a lot of specific services where the family could then, in effect, direct and define the nature of care?

My comment, if you would care to comment on it, is that it seemed to me that in some ways it didn't matter so much, from the point of view of the developmentally handicapped or their families necessarily, whether that ended up being under long-term care or the multi-year plan; the problem was often getting left out in terms of the planning or the thinking on the long-term care side, or with respect to the multi-year plan, the issue around sustainability: Was it really going to be able to go forward?

1110

I think my question, then, would be this: I take it that what you would like to see is some specific reference within the long-term care, whether it's Bill 101 or in the plan, to particular needs and concerns that the developmentally handicapped have, while at the same time ensuring that the multi-year plan continues to go forward. Is that a fair assessment?

Mr Miller: I think from our perspective—I hope to answer your question—one of the things that concerns us is that major initiatives like long-term care and multi-year plan and other major initiatives tend to stand alone very often and identify a particular group of Ontarians, who might be a homogeneous group, that they are aiming at. What we're looking at is that most of the services that we are suggesting come together in the planning of this initiative, long-term care and the things that affect it, go across the whole spectrum of social and health services, which really does cover most of the aspects of a person's life with the exception of education.

The issue that you've raised is one that we really don't have a clear handle on, and that is the issue of an aging population. This is not just a demographic issue; it's an issue for our organization. People with developmental handicaps are living longer because we know how to care for them better, and we have many people with developmental handicaps who are seniors. That is a new issue because hitherto most of the people were institutionalized and remained so until they died. They weren't part of the community responsibility. Now they are and we hope they will become more so.

But the point of the aging parent or the parent of an aging person or a middle-aged person, developmentally handicapped—we don't want to differentiate. We say they are both people, they are both Ontarians, and we would like to plan around people or with people in the context of that family. In other words, don't let's take the aging couple on the one hand and say, "What you need is long-term care," and the aging son or daughter and say, "What you need is something else." It has to be done in the context of the family. That's where individualized and person-centred planning can give us the right clues. What is it that this family really needs and how could we best respond to it?

The Chair: Thank you very much for the presentation. I think the issue is clearly before us.

Mr Miller: I really appreciate the opportunity. Thank you.

ONTARIO ASSOCIATION OF NON-PROFIT HOMES AND SERVICES FOR SENIORS

The Chair: I now call on our next delegation, the representatives from the Ontario Association of Non-Profit Homes and Services for Seniors, if you would be good enough to come forward and take a chair, a glass of water—as the morning wears on, you may feel you need that. Once you're settled, would you be good enough to tell us who you are.

Ms Sandra Pitters: We're very pleased to have this opportunity to appear before you to speak about Bill 101. I'm Sandra Pitters, president of the Ontario Association of Non-Profit Homes and Services for Seniors. In addition to my volunteer role as president of OANHSS, I'm employed as assistant general manager of the homes for the aged division in Metropolitan Toronto.

Michael Klejman is executive director of OANHSS. Dan Oettinger is president-elect of OANHSS and the administrator of Idlewyld Manor, a charitable home for the aged in Hamilton, Ontario. We have another director with us today, Doug Hutton, at the back of the room, from Lambton county, and other members of our association. I think this is indicative of the importance that we give to Bill 101.

In addition to the brief that we have presented to you, we'd like to take a few minutes to convey some more specific views on the bill and its implication that we see to both consumers and our members. Michael and I will be sharing the presentation.

Mr Michael Klejman: The Ontario Association of Non-Profit Homes and Services for Seniors is the oldest provincial long-term care association in Canada. For the last 73 years we have represented and supported non-profit providers of services for seniors. Our membership and focus of our activities in the past three decades is like a microcosm of evolution of services for seniors in Ontario. In the very beginnings all of our members were facilities caring for seniors. Today our members provide a wide variety of services, from long-term care beds to seniors' apartments to day programs to emergency response services and other services reaching out to seniors living independently. Nearly 250 non-profit member agencies and municipal departments serve well over 100,000 seniors, or about 10% of Ontario's elderly. Our record of innovative and consumer-sensitive services is second to none.

We have brought with us and distributed to members of the committee our formal brief, which consists of an analysis of Bill 101 in light of the principles for redirection as announced by the government. It also includes appendices which contain specific amendments we submit for the committee's consideration, a copy of an OANHSS report on revenue sources and a copy of our most recent annual report.

We, as an association, and many of our members find ourselves in a real bind in speaking with you today. While we remain committed and supportive of the intent and the principles of the redirection effort, we find it impossible to support a number of provisions in the proposed bill. We find incongruity between the government's principles for redirection and much of this bill. This bill is also incongruent with the government's and ministers' past commitments to fund care to the level of need, and we find much of this bill's content to be so non-specific that it makes it almost impossible to know how the system will work.

Ms Pitters: Although our written brief is much more detailed, we'd like to spend a few moments highlighting several implications of Bill 101 which cause us concern. We hope that this overview will lay a foundation for dialogue with the committee at the end of our presentation. We do see several negative implications of Bill 101 in the areas of consumer choice, funding, community accountability and quality.

First I'd like to address consumer choice. Although the discussion paper on the redirection of long-term care valued the primacy of the individual and the right to dignity, security and self-determination, we don't see evidence of this in Bill 101. Bill 101 reduces consumer choice and reduces

the control that consumers have over making decisions that affect their own lives.

We believe that consumer choice is reduced in a number of areas: related to access; related to the right for them to decide where to live; related to the right to reside with a spouse when one partner meets the rigid eligibility criteria and the other doesn't; related to the right to reside in a home that can provide services that are ethnoculturally, religiously and linguistically sensitive; related to the right to negotiate the purchase of goods and services which the consumer himself desires; and related to the right to appeal decisions on a number of issues.

Looking specifically at access, the unilateral power vested in the placement coordinator allows this placement coordinator to act independently of both the consumer and the home. Consumers must retain the right to choose the type and provider of care. They must be able to choose options, based on their individual needs, preferences and financial resources.

We believe that many consumers, having weighed their options, would prefer to reside in a non-profit facility. They're aware of the broad scope and range of programs that non-profit facilities provide and they're aware of the strong emphasis we have on a multidisciplinary approach to care and service. Many would prefer to reside in a home with a certain ethno-specific or religious sponsorship because they know that home has a unique understanding of their needs. Bill 101 provides no guarantees in the area of consumer choice and self-determination and therefore we believe is fundamentally flawed.

1120

Second, funding: The funding proposed for long-term care is not driven by consumer need but rather by the funds currently available. Disregarding current financial constraints, we are about to create a funding system which will not serve consumers well and which will not allow us to equate care needs and funding. I understand that when the previous Minister of Health addressed this committee on February 1 she reaffirmed the government's goal to achieve needs-based funding. Bill 101 does not achieve that goal.

The proposed funding formula also shifts significant dollars from the non-profit sector to the for-profit sector, in spite of the government's stated preference for non-profit service provision. In addition, the burden for financing the new system falls heavily on consumers. Many consumers will see a significant increase in user fees.

We have several concerns. First, residents and their families have not been notified of this plan, and we find it incredible that this bill has been referred to your committee without giving you the opportunity to hear an informed reaction from the consumers most affected by it. Second, we believe that the government has significantly overestimated new revenue expected from increased user fees.

We urge you to recommend to government that additional dollars be infused into the long-term care facility system as a priority in order to achieve the stated goal.

Next, accountability: We understand the dilemma faced by government in trying to draft legislation to ensure that all participants of the long-term care facility system are fully accountable, but what seems to have been forgotten in Bill 101 is that community accountability already exists in municipal and charitable homes for the aged, through their municipal councils and boards of directors. Instead of building on and strengthening this current system of community accountability, Bill 101 undermines and ignores it.

Last, the impact on quality of care: Bill 101's well-intentioned but overzealous effort to ensure quality in long-term care facilities misses the mark. The bill addresses provincial controls and penalties rather than quality and may actually act as a disincentive to ensuring and managing quality.

The bureaucratic inspection system proposed will be a costly one, and those dollars would be better used to increase funding for direct care and service. Consumers in non-profit facilities would be better served by a provincial commitment to collaborate with municipal councils and charitable organizations' boards of directors to develop quality indicators, to agree on a process which supports rather than undermines these representatives in ensuring quality, and to agree on the level of funding necessary to support and sustain quality. Given these three criteria, non-profit boards can manage their own quality and can provide the government with the reassurances desired that facilities have achieved the quality indicators.

Last, it's worth pointing out that Bill 101 demands service that the government is not prepared to fund. This incongruence needs to be corrected, but most importantly, if consumers are going to have a quality system, we need to work in partnership to determine what quality is and to determine the funds necessary to sustain it.

I can assure you, if the province commits to funding to meet the actual costs of providing care, non-profit providers can commit to meeting all the province's service demands and to meeting consumers' expectations for quality. We can do it through effective local governance and because of our commitment to our communities.

We urge the government to closely consider these implications of Bill 101 and take steps to realign the bill more closely with the previously stated principles of redirection.

Mr Klejman: We see the provisions within this bill as giving the government unprecedented controls over facilities, the scope of which we have not previously seen in the government's dealings with non-profit transfer payment agencies. Conversely, we think that we have enjoyed a relationship of mutual respect and mutual support. Bill 101 is threatening to eliminate that spirit of collaboration.

The provisions give almost unchallengeable power to provincial inspectors, but they do not place any responsibility or burden on the government to provide adequate resources to meet its expectations. Because of this failure to tie performance requirements to resources, this bill will, if passed unchanged, deny consumers an option of care which, for some, would be the best choice. In addition, the quality of care for those few who will get into facilities will be inadequate. The seniors of Ontario deserve better.

Seniors and their needs must be the focus of the new long-term care system. The new system must build on the strengths of the current system and must accommodate the system of community accountability unique to the

non-profit sector. As the former Minister of Health said this week, this bill is a once-in-a-lifetime opportunity to get it right. We want to make sure that in getting it right we don't lose sight of the underlying principles of the redirection. If, on the other hand, the intent of this bill is to give the government total control over facility services and the ability to restrict the funding, then this is the bill to do it.

We hope, Mr Chairman, that you and your committee will seriously consider the real implications of Bill 101 and recommend amendments to the Legislature in order to ensure that seniors of Ontario get a system that is based on principles and is sensitive to their needs.

This ends our formal remarks. We'd be pleased to answer any questions.

The Chair: Thank you very much for the presentation and also for the additional material you've provided to the committee members. That will be very helpful. We'll begin the questioning with Mrs Sullivan.

Mrs Sullivan: This is a very useful package of information you've provided to us. I think we will all find the appended material of value as we go through this process.

Like yourselves, we find ourselves a bit at a loss in that we have an implementation bill without having the full policy surround. In the course of dealing with this bill, we see extraordinary authority and power placed in the hands of the placement coordinator and, as you have pointed out, little choice left with the consumer, the potential resident of a facility. We have raised that. The ministry has indicated that this is not the policy intent. So we are going to certainly be insisting on changes to ensure that consumer preference and choice is included in the wording of the legislation itself, that this is a parameter around which the placement coordinator must work. We have had poignant presentations from representatives from the non-profit and profit sector with respect to that point and a very poignant one yesterday afternoon from the multicultural organization of non-profit homes.

I think that in that circumstance you will find general agreement around the table, perhaps even with the government, and we're hoping that we're going to see some words that will allay some of the concerns that have been put.

The funding issue that you've raised is one of some concern to us, because your analysis—and I am pleased to see that you have attached a paper with respect to the revenue sources—would indicate that of the $150 million the government expects in revenue from residents themselves the government will receive only two fifths of its potential revenue or the revenue that it has analysed.

Yesterday we spoke in committee about this issue and asked the ministry for an analysis of your analysis, first of all. Second, we were also informed that for those homes which were substantially out of line in terms of funding when the weighting comes in, there will be a freeze. There has been no decision made about an economic adjustment. And that freeze will go in perpetuity until everybody's equal.

I'd like to ask you how you see that affecting your membership. Clearly, there is a policy shift here. My party accepts, and in fact encourages, the move to level-of-care funding. We are seeing parts of the system, though, that believe they will suffer in terms of care delivery. I'd like you to discuss that.

1130

Mr Klejman: Just a couple of quick comments, then just to go back to your earlier remark with respect to placement coordination. We also believe there was a need for a function that ensures that the consumer applicants are treated fairly and there is an effort to identify those with the greatest need. However, how it's translated in the bill is where we have problems.

Looking more specifically at the impact of the funding provisions, there's no doubt in our minds that some of our members and the residents in the facilities those members operate will suffer, not on the first day when the freeze is imposed, but when we look at the effect of the freeze in six months or 12 months, there is no doubt that the costs, whether they are salaries, whether they are operating costs, the cost of buying food, will not freeze. Those costs will continue to increase and those members, whether municipal homes or charitable homes, will have to decide whether they can now come up with additional 100% dollars to sustain—not increase but just sustain—the level of service they provide. In many cases they will not be able to sustain it so we will experience reductions in services. Some homes may be contemplating some other kinds of changes.

Mrs Sullivan: Can you describe for the committee why there is a substantial difference in the operating costs of your facilities? We were told yesterday, by example, that nursing homes average $77, charitable homes $90, municipal homes $118, and some homes, I think in the charitable category, are at $150.

Mr Klejman: Some of it is certainly based and rooted in how the legislation has established the two systems. We have one type of funding, one type of provision for nursing homes in this province, whether they are for-profit or not-for-profit, and then we have two other pieces of legislation going back much further in Ontario's history which established the foundation for funding for municipal and charitable homes for the aged.

What those two pieces of legislation, in effect, provided for was the flexibility for each organization, each home, to determine the level of care they would provide, the services they could offer and then negotiate, on a home-by-home basis, with the province, with the ministry, the levels of funding that they would receive from the province and the level of their own contribution that they would make.

What is really misleading is to assume that every municipal home is operating at $118 or that every charitable home is operating at $90. They do not. They're as different from each other as they are from nursing homes. It simply is the result of the kind of funding that was introduced when the Nursing Homes Act was passed and the extended care program was introduced.

But what we're contending is, let's not destroy the best of what the non-profit sector has today by simply pursuing, almost blindly, the goal of uniform funding, and we agree with the need for uniform funding and we agree with

the need for funding that recognizes the levels of need existing in those facilities.

On the other hand, let's not start to dismantle the kinds of services that all of us talk about and admire and wish that every other facility had.

Ms Pitters: If I might add to that also, focusing a little bit on the difference between nursing homes and homes for the aged, and I think that has a lot to do with the mandate and the importance and the strength that we see in our local governments, we have been in the fortunate position that we have a very strong history of believing in a multidisciplinary approach and a real vision of long-term care that doesn't just meet nursing or medical needs but rather meets the social, emotional, psychological and spiritual needs of residents in facilities.

So I think we've tended to have a very broad-brush approach and probably a more comprehensive approach to what is needed to sustain quality of life for residents in long-term care facilities. I think you cannot just compare costs facility by facility, but you need to look at the quality and scope of services that are coming out of each of those facilities. That, I think, is a strength in non-profit service provision, as Michael has pointed out, that we don't want to lose with the implementation of Bill 101.

Mr Dan Oettinger: If I might add just briefly to that, Michael's reference to the legislation is also impacted by the fact that the Ministry of Community and Social Services has discretionary authority to approve or not approve extended care services for certain residents regardless of the level of documented need for care.

Where those approvals are not given, there may be significant reduction in revenue and that shows up simply in per diem costs.

The Chair: Mr Wilson.

Mr Jim Wilson: Thank you, Mr Chairman. May I begin by talking about my colleagues and congratulating them on a very thorough and well-presented brief. I particularly appreciate the background material you provided. I've just read through the revenue document and it contains many things that I was frankly quite unclear on, so it's indeed very useful. I've met with the non-profit homes in my riding. They have brought some of these points to my attention.

I also appreciate the comments in your brief about consumer choice, increased government intervention in the operation of your homes, and I want to touch on, before I get to funding—on page 6 in the written brief you talk very briefly about accountability. Being a great believer in the county system of governance that we have in rural Ontario and knowing of the good works of the county government and its excellent relationship with our non-profit homes, I want you to just expand on what dangers you see in Bill 101 with respect to that accountability process we now have.

Ms Pitters: I'll start and then ask either of my colleagues to add. Fundamentally, there is so much control given to the province in this bill that the ability of municipal or charitable homes to establish their own mandate, to develop their own care and service programs and indeed to monitor and improve the quality of those services is eroded.

It goes right back to the establishment of a rigid placement coordination function, which Michael has already addressed, and which we believe needs to be flexible and built on the needs of each individual community and built on the strengths of the existing community resources. If that function is built in such a way that it ignores the mandate, the resources and the skills of individual homes and indeed the mandate that was established by municipal council and charitable organizations' boards of directors, we're getting to the fundamental issue of who is actually governing the facility. Is it the board or, quite bluntly, is it the province?

Looking at the issue of quality, and we address that also in our brief, we believe that many of our members already have established systems of quality management that they are managing well, and the system being proposed not only erodes their authority but puts in a different layer of bureaucracy that is not necessary to sustain quality in the non-profit sector.

Mr Jim Wilson: Thank you. I very much appreciate those comments. With regard to the revenue sources document, do you still maintain that the finance intake of the copayments to the government will be $60 million, which is far short of $150 million the government intends?

Mr Klejman: Yes. We have not heard back from government officials whom we've been communicating with and conveying this to for quite some time. We have not been shown that there was an error in our calculations.

Mr Jim Wilson: What we're presented in this bill, of course, is necessarily levels-of-care funding but not necessarily levels-of-care funding—

The Chair: To coin a phrase.

Mr Jim Wilson: —to coin a phrase, yes—because of the limited pool of money that's been committed by the government. Have you any idea how much money might actually be required if we're not to have an erosion of services and move towards levels-of-care funding?

Mr Klejman: Off the top of my head, I'd probably be guessing, but I know that we have done some estimates of the shortfall for our own members, looking at their current operating levels. We could provide it to the committee fairly quickly.

Mr Jim Wilson: I think that would be very useful because we haven't, of course, seen a true justification of the $206 million that's been committed by the government—as far as I think committee members would know, the figures were pulled out of the air—as we've not seen a justification of the total $647 million commitment to long-term care reform.

With that, I thank you for your comments.

The Chair: Just before passing to Mr Jackson, Ms Sullivan, you just wanted one short question.

Mrs Sullivan: To be fair, I think the intervention that we had from Mr Quirt yesterday afternoon was very valuable in terms of discussing the schedule to the standard agreement and how the scope and cultural sensitivity of

each individual home would be taken into account in terms of its agreement with the ministry. I think that was very valuable. It's something we wouldn't have seen without that testimony because of the way the legislation is drafted; everything is unseen in it, frankly. But I thought that was useful and when Hansard is available you might want to look at that particular discussion.

1140

The Chair: Hansards are always important.

Mr Jackson: Has the government shared with you the service agreement, the contracts? Have you had a look at them? Are you familiar with them?

Ms Pitters: We did have the opportunity to see the service agreement in draft form in draft 1 of the long-term care service and programs manual, yes.

Mr Jackson: How long ago was that?

Ms Pitters: Draft 1 was finished in August but it was still the draft the provincial staff were working with as late as January. We have not seen a revised version of it, no.

Mr Jackson: Very quickly, isn't one of the more unique features of homes for the aged that they do have access to municipal funding? Could you comment—because I know we certainly did—about that distinction and the opportunity to meet your care levels by increasing the property tax base, by turning to the property tax base? That makes you unique since the nursing home sector in certain non-profit homes for the aged don't have that access, whereas the homes for the aged, municipally run, do have that option and I think that shouldn't escape—the obvious shouldn't be escaped here because it does have implications for your meeting those service levels. What are your thoughts on that?

Ms Pitters: You are quite correct that indeed, in non-profit facilities operated by municipalities or charitable organizations, the governing body of those facilities has the option of infusing 100% dedicated dollars to bring those services at a higher level of quality than the provincial government is able or willing to fund. However, there needs to be a point where, I believe, municipalities need to look at what is a realistic tax burden to pass on to municipal taxpayers, also when health services and long-term care services are a function of the provincial government.

Mr Jackson: Mr Chairman, are we hearing from AMO? Is AMO making a presentation?

The Chair: Yes, I believe they are.

Mr Jackson: And we will be talking to the Metropolitan Toronto community services department and Norm Gardner this afternoon, so we can raise some additional questions there. But I clearly think that's part of the government's plan in a period of disentanglement. It seems we're about to wrap ourselves up in it again.

Mr Klejman: Just as a point of interest for the committee, we estimated that about $90 million is contributed by municipalities towards homes for the aged, and that figure's about a year old. Somewhere between $15 million and $20 million is put up by charitable homes towards their operations as well as over and above the consumer contribution and the provincial share, so there's a fair chunk of money already committed.

Mr Jackson: Thank you very much, Mr Chairman.

The Chair: I may have misled you. I'm not sure AMO is on the list, so we'll just doublecheck. I thought I had seen them but I'll let you know this afternoon.

Mr Jackson: To be proactive, as a suggestion, that they be contacted—I certainly hope that since there are disentanglement discussions under way, I'd like to make sure AMO is aware of the legislation and is offering some comment, because it does impact.

The Chair: We'll doublecheck. I did think they were. We'll go on then. I have—

Mr Hope: Before you move on with the questions, I just want some clarification here. Mr Jackson, I believe, is asking AMO to come before the committee, or just to make written comment on the legislation.

Mr Jackson: Either one. If there's an opening, we can either sit here or—

Mr Hope: Okay, forget it, there is no sense breaking into a conversation with him because there is no sense listening to him.

Mr Jackson: Well, the committee can direct itself any way it wishes, Mr Hope. I wanted, first of all, to find out if they were making presentation and then if we could get written or oral presentation, but—

The Chair: Thank you, understood.

Mr White: Again I'll defer to my colleague Mr O'Connor, but I do have some questions later on I would like to address.

Mr O'Connor: I want to thank OANHSS for coming. Indeed, your package is very comprehensive. I noticed you have some suggested recommendations to the legislation that no doubt our legal people within the ministry are certainly going to have a good look at.

You've raised a number of different and some new issues and some issues that have been raised before: inspections, no resources will be added. It's important to talk about this. I guess what I'd like to suggest is that the quality management system—and there are some problems around the wording of it that the committee has had—isn't meant to totally eliminate the system we've got now but to improve it, support it and enhance it and perhaps put in some accountability that doesn't exist now or maybe improve that.

The boards and the municipalities, I realize you've got some concern over them. It's the intention that they will continue to have a major role in homes for the aged and charitable homes. I know Mr Wilson had raised some concerns about the funding, and of course in your presentation you've included some comments. Maybe we can get someone from the ministry to come forward just before lunch, after this presentation's left, to get some further clarification, because again this discrepancy has shown itself.

Just one short question, and then I'll defer it. You have suggested ways of possibly putting into the legislation a way of taking a look at the cultural aspect of the clients, the consumers we're trying to service. I appreciate that. In the draft manual that was circulated and that you've commented

on, I know in the admission form there's one line talking about cultural sensitivities, and ethnic.

What would you suggest that we put in there to improve that if, for some reason, we can't get that into the legislation? I'm sure legal counsel will talk to us and we'll have a full discussion on that, but if that's not possible—because we can't put everything into the legislation—what would you suggest we put into that admission form?

Mr Klejman: I'd just take a stab in the dark a bit. We sometimes talk to our legal counsel too, and the suggestion that you have in there we've actually looked at from a little more legal perspective. The preference would be to see references to it first of all in the act itself, eventually, or as part of the bill now, or in the regulations, where it enshrines in a more formal way that this is an aspect that has to be considered during the placement determination process, rather than leaving it just to a manual or a portion of the manual.

Ms Pitters: If I might add, we did have an opportunity as an association to participate in the joint working committee that looked at draft 1 of the manual.

Mr O'Connor: The second draft probably won't be ready for a few weeks yet anyway.

Ms Pitters: We did at that point submit alternative language, so that we hoped that language would be incorporated to assist with issues such as spousal admissions, social admissions and admissions where the consumer has a specific preference related to ethnocultural and religious needs. We'd be more than able to share that language with you. We do hope it will appear in draft 2 of the manual.

Mr O'Connor: Thank you very much.

Mr White: I should admit from the outset my bias. I've worked for many years in a home for the aged. Although I was not employed by that home, I was the only person working there in that unique position. I've seen the high quality of care that was available to seniors from my community, the intense level of interaction between the community at the volunteer level, at the municipal level etc, the high level of accountability. In fact, during an accreditation process, something which I thought people would find to be a really adverse situation, the workers from the floor level up were excited and participating in it, because they had a direction, which was the improvement of quality of care to their residents.

The issue about accountability, which I think you bring up, is a very significant one, very real. It will be a costly inspection service. Frankly, I don't think there will be a need for any real change in terms of inspections of homes for the aged, but there will be in other areas. Effectively, what we would have is the same model applied for two different systems. Of course, the non-profit system will be subsidizing the for-profit system, because you won't need inspections; you've already got the quality of care worked out. How would you suggest that the accountability issue be dealt with in legislation?

Ms Pitters: If I might start and then turn it over to Michael, first off, to focus on your comment about accreditation, our members do see that as a much more positive and helpful process in assisting them to maintain quality services in their home. The approach has an entirely different focus; that is, to work in collaboration with the facility to act as a resource to identify areas that may need strengthening but to allow the facility to identify its own actions and allow it to implement the action to improve the quality in that area. It's a very mutually supportive process and one that is developed with a quality thrust and looking at what is best for health care in Canada and, quite frankly, developed by peers and professionals in the field.

Our fear is that the inspection system that is being introduced is going to look at a more punitive approach. We have had a chance to look at the indicators, to look at the draft inspection tools, and we don't believe they're the right tools to assist facilities to sustain and improve their quality.

We mentioned in our verbal presentation that we would like the opportunity to continue to work with provincial staff to develop more appropriate quality indicators and ones that are going to result in a better outcome for residents. We're not fully convinced that the tools put forward in the program manual are the ones that are going to do that.

Mr White: Fair enough. I'm wondering, though, what you would suggest to deal with the broad spectrum of long-term care. What kind of mechanism would meet your needs in your situation and others?

Mr Klejman: The suggestions we have made in the brief itself and in some of the amendments identify specifically provisions whereby the relationship of the province in its inspection role ties into the board of directors or committee of management, that there is that focus for accountability now. Let's ensure that it is clear what is expected of it vis-à-vis its relationship with the government, but they should be able to maintain the scrutiny and the systems that they need to have in place in their individual homes.

How one translates this principle into settings which do not have boards of directors onsite in their local communities, do not have municipal council committees onsite in their communities overseeing operation of homes for the aged, frankly we feel a little stymied in knowing how to recommend how you distinguish between that for-profit operation which has that distance between a corporate structure and an individual nursing home in a community, and a home for the aged, where the owners, the operators, are the community in which these homes operate.

But we read that as the obstacle that the government is facing throughout the bill: How do you create one legislative means to ensure a high quality of service—care—in all of the homes in this province? There are some homes that just don't mix well in the same legislative pot.

The Chair: Thank you very much for your presentation. As I said before, we really appreciate all the attendant material. I believe we may see at least one of you later today.

Ms Pitters: Thank you, Mr Chair.

The Chair: Everybody wears a number of hats.

That brings to a conclusion our morning sitting. I will adjourn the meeting. We reconvene at 2 o'clock. If I could just remind members of the subcommittee, a brief meeting here around scheduling, the committee stands adjourned.

The committee recessed at 1154.

AFTERNOON SITTING

The committee resumed at 1403.

The Chair: The meeting of the standing committee on social development will reconvene. We're here to consider Bill 101, An Act to amend certain Acts concerning Long Term Care.

MUNICIPALITY OF METROPOLITAN TORONTO

The Chair: Our first deputation this afternoon will be representatives from the Metropolitan Toronto community services department. We invite you to come forward and make your presentation. Would you be good enough to introduce yourselves. I suspect some of you have been here before, even as recently as this morning. We're delighted that you could come. As I say, would you introduce yourself for Hansard and then please proceed with your presentation. We have a copy.

Mr Norman Gardner: I'm Councillor Norman Gardner and I'm chairman of the community services and housing committee at Metropolitan Toronto. With me here today are Ms Sandra Pitters, who is the assistant general manager of the homes for the aged division, Mr George A. Coleman, general manager of the homes for the aged, and Mrs Joan Barltrop, chairperson of the advisory committee on homes for the aged.

I'm pleased that we are here today to address the standing committee on social development on behalf of the municipality of Metropolitan Toronto and to share with the committee some of our observations and concerns about Bill 101.

Metro has been in the business of long-term care since its inception in 1953. We operate nine homes for the aged, a large satellite home program and a large number of community support programs. We are the largest provider of long-term care services in the province, operating close to 3,200 beds and providing services on an annual basis to over 25,000 consumers living in the community.

Metro contributes approximately $31 million annually to the provision of long-term care services and we are currently covering provincial shortfalls because of the province's prior decision related to capping.

We have seen a lot of changes in long-term care over the past 30 years and we have continued to improve and expand our care and service delivery because we have a strong commitment to community services. But this commitment is threatened by Bill 101. Bill 101 significantly reduces consumer choice, erodes municipal accountability, threatens our current community partnerships and shifts a greater funding responsibility to the municipality.

In spite of these concerns, Metro shares many of the province's own goals with respect to the future of long-term care services and we want to see Ontario's system of long-term care improved. However, there are many strengths in the current system which need to be preserved within the redirected system. We believe that a responsive and effective long-term care system is one that is flexible and adapts to the varying and changing needs of seniors.

Metro has an excellent history in providing high-quality services to a diverse population. We have developed strong partnerships with ethno-specific groups and have been able to deliver services that are ethnoculturally and religiously sensitive. Bill 101 restricts the current freedom of seniors to select care and service in a site that is understanding of their ethnocultural, linguistic and religious needs.

I can assure that Metro shares the province's commitment to the four principles outlined in the discussion paper on the Redirection of Long-Term Care and Support Services in Ontario: the primacy of the individual and the right to dignity, security and self-determination; promotion of racial equity and respect for cultural diversity; importance of family and community; and equitable access to appropriate services.

However, in developing the specifics of redirection, the province focused so much on ensuring equitable access that it lost sight of the first three principles. The result is that Bill 101 is fundamentally flawed and doesn't sufficiently protect the rights of individuals. We will be proposing some amendments that we believe will align the bill more closely to the intent of the original discussion paper.

We also think there is a need for a fifth principle focusing on quality of care and service provision. The government has to make a commitment to quality and be willing to work with its partners—the municipalities, other care and service providers and consumers—in order to achieve it. Bill 101 emphasizes provincial control, rules and regulations rather than quality.

At the outset, I must advise the committee that we found it difficult to respond to Bill 101. The bill leaves so much to regulations that the actual intent and impact of the bill cannot be accurately analysed. I hope Metro will be given another opportunity to provide input once the regulations themselves have been developed.

I'd now like to provide some specific observations about Bill 101 as it relates to the four principles.

First, the primacy of the individual and the right to dignity, security and self-determination: The need for consumer choice is not recognized in Bill 101. The unilateral power vested in the placement coordinator does not respect consumer choice and allows the placement coordinator to act independently of both the consumer and the home.

Consumer choice is forgotten in other areas too. Bill 101 limits the frequency with which applications may be made. This provision is wrong. Changes in the consumer's situation and health status are unpredictable and they shouldn't be denied the right to apply whenever such a change occurs.

Many other sections of Bill 101 also weaken consumer choice. Our concerns are clearly detailed in our written brief. An example could be someone who is turned down, breaks a leg, is now admissible but cannot reapply because of a time frame limiting his particular application.

Bill 101 defines a faulty and incomplete appeal process. There need to be expanded provisions for appeal to cover a number of circumstances. I'd like to point out to the committee that Metro currently has an appeal process which far exceeds the provisions suggested in Bill 101.

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Second, the promotion of racial equality and respect for cultural diversity: I've already talked about our partnerships with various ethnocultural and religious communities. It is our opinion that people choose our homes because we take into account people's different values, languages, religions and customs. Through our work with community agencies, we have developed a unique understanding of the cultural needs of their constituencies. We don't want the redirected system to restrict the community partnerships that Metro has been able to create.

I'd like to distribute—I think you already have it—copies of a letter sent to Premier Rae from Esto Link, one of a number of groups we collaborate with.

Third, the importance of family and community: Metro could not agree more about the importance of family and community. We have strong concern that the consumers most directly affected by the restructuring of facility-based long-term care, that is, residents and their families, have not been adequately notified of the developments.

Many consumers will face a significant increase in user fees if Bill 101 is implemented. Metro has on several occasions asked senior bureaucrats to notify consumers of this fact in a timely fashion so they themselves might make presentation before this committee. No such notification ever occurred. I suggest to you that for this standing committee to make recommendations to the Legislature without the opportunity of hearing an informed reaction from the consumers directly affected by Bill 101 is in direct opposition to the principles of the primacy of the individual and the importance of family and community.

Metro is completely comfortable with community involvement and accountability in the delivery of services to seniors. We have played a leadership role in areas such as residents' rights and quality assurance. We adopted a bill of residents' rights and responsibilities developed by the residents' councils themselves. We have a strong commitment to residents' councils and family committees. All our residents' councils and family committees have seats on our various advisory committees.

The requirement for a residents' bill of rights and residents' councils did not have to be regulated by the government in Metro's homes for the aged. Community accountability is working in Metro's homes, and this strength of the municipal system is not acknowledged in Bill 101.

We have a strong history in actively involving our community in our quality assurance program. For quality assurance to be effective, it needs to be owned by the municipality and the home and not regulated by the province. Bill 101 makes an incorrect assumption that increased quality will result from a strong provincial inspection and sanctioning process. That is not the case. Quality will only result from the commitment of municipal governments and boards of directors to ensure quality in their own operations.

Accountability and responsiveness are part of Metro's history, and we would like to see some recognition of the effectiveness and unique partnerships that have evolved within Metropolitan Toronto. It is not in the public's best interest to establish a costly, inflexible, system-wide inspection process if it is not going to result in a better outcome to the consumer. Although the province has a stated preference for non-profit service provision, the proposed inspection process ignores the mandate of our elected representatives and our success in local governance.

Bill 101 should introduce flexibility, clear standards and control to the inspection provisions to support municipalities in fulfilling their accountability to the community, rather than interfering with it. Bill 101 ignores the role of municipalities in planning, managing and delivering long-term care. Our written submission includes a number of suggestions to support the municipality in controlling its own mandate and fiscal resources.

Fourth, equitable access to appropriate services: Metro strongly endorses the principle of equitable and simplified access to long-term care services through the establishment of the service coordinator function, but we believe the new function must build on the strengths of existing structures and models that are already working efficiently. It must also have a sensitivity to the rights and legal obligations of both the consumers and the homes, and result in a less complicated and more timely system.

We currently have a division-wide access and service coordination function which is working well. We respond immediately to emergencies and have a system of authorizations for admission which considers those at highest risk. It has the capacity to be easily and cost-effectively adapted to a Metro-wide system for all long-term care facilities.

The introduction of a rigid, provincially imposed system will decrease our ability to respond to community need in a timely and effective manner. We urge the province to reconsider the decisions related to access and coordination and introduce a flexible system that responds to each community's needs and utilizes each community's existing resources in the most effective manner.

Bill 101 is missing some of the detail necessary to ensure equitable access. There must be standards to govern assessments, user fees, placement decisions and service delivery thresholds for both community-based and facility-based care. These standards must ensure that assessments are conducted fairly and impartially and that referrals respect the needs, preferences and financial resources of the consumer.

Fifth—this is the principle added by Metro—the issue of quality: Although there is a public expectation that the redirection of long-term care will introduce true level-of-care funding, this is not the case. The proposed funding scheme does not fund to level of care, but is simply level-of-care-based—that is, relative to allocated dollars.

It is a fact that in the past, Metro has been able to negotiate funding that more closely resembles level-of-care funding than the proposed funding formula. We should not be penalized for that. Now, because the province is not infusing enough money in the system to bring all long-term care facilities up to Metro standards, Metro's homes and Metro's residents will be forced to suffer from reduced quality. Loss of quality is going to be an outcome of Bill 101.

Metro does not want to lose its excellent reputation for providing a range and scope of high-quality programs and services, but Bill 101 is threatening this. Insufficient funding is forcing us to look at a number of options, which may include closing beds or facilities, reducing service and reducing quality. The only alternative, without a clear provincial commitment to increased funding, is to unfairly pass on an increased burden to Metro taxpayers, and we just can't do that.

Bill 101 is interesting, though. It introduces explicit requirements for care without providing a funding commitment. The requirements in Bill 101 related to "service agreements," "quality assurance" and "plan of care" need to be linked to the provisions in "operating subsidy." Simply stated, you have to fund the care and service you demand. Our written brief offers considerable suggestions in this area.

The province can't undertake redirection without making a commitment to provide a stable, reliable and adequate funding system which allows homes to sustain or achieve quality. Seniors in Ontario deserve no less.

There are several other issues that I want to bring to your attention today.

First, our calculations indicate that to support the redirection initiative as proposed, significant dollars will transfer from the non-profit sector to the for-profit sector in the government's attempt to equalize funding for all long-term care facilities. This is wrong, especially for a government with a stated preference for non-profit service provision.

Second, the proposed resident copayment scheme is based on an income test only rather than on the current formula of income and assets. This direction ignores the fact that many seniors who have the resources want to contribute to their ongoing costs and ignores the fact that the taxpayers' burden will increase significantly for residents who are asset-rich and income-poor.

Third, a standardized, inadequate funding system such as the one proposed places an unfair hardship on employers such as Metro. We incur higher labour costs than any other jurisdiction in the for-profit sector due to government-mandated pay equity. To deny us recourse, for example through additional grants, is unfair and will force us to reduce our quality even more.

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Last, the province is proposing an amendment to the Municipality of Metropolitan Toronto Act as it relates to indigent persons in nursing homes. For reasons explained in our brief, that provision is no longer needed. Section 186 of the act should simply be repealed.

In conclusion, Bill 101 as proposed threatens Metro's history of quality and responsiveness. It will require us to look at options of reduced service or quality in order to avoid an unfair tax burden to Metro taxpayers.

The proposed inadequate funding scheme will force a reduction in quality that seniors don't deserve. We urge the government to reconsider the restrictions on funding to long-term care as a priority.

Metro cannot be forced to be caught between public expectations for high quality and the level of care for which the government is willing to pay. We need a commitment from government to provide a stable, reliable financial environment in which we can ensure continued quality. Funding must be congruent with the actual cost of providing care and service to meet the identified needs of the residents.

The restructured system must more accurately reflect the four principles included in the government's own discussion paper. It must build on the strengths of the current system. It must be more responsive to the unique cultural, religious and linguistic needs of consumers.

Seniors must be given as much autonomy as possible to remain in their own homes for as long as possible, but when facility-based care is needed, it must be administered in the least bureaucratic manner possible. The average age of those people admitted to Metro homes is 86.

The new system must accommodate the system of community accountability already established in the municipal sector.

Provincial action alone is not enough to improve the long-term care system. A strong partnership is needed to provide a framework for future planning and to preserve high standards and levels of care. Metro welcomes the opportunity to participate in the redevelopment of Ontario's long-term care system. We want to ensure that changes are made only if they are the right changes and only if they truly improve the quality of service and quality of life for seniors.

The Chair: Thank you very much both for the presentation you've made and also for the longer submission, including your proposals for amendments to the bill which are very helpful to the committee. Could I just ask as a point of clarification if those proposals have been made to the government?

Mr Gardner: I believe this is the first time we've put this forward.

The Chair: Thank you. Then we'll move to questions and begin with Mr White.

Mr White: Thank you very much for your presentation. I have a couple of questions. I think late this morning and early this afternoon you hit on the very obvious issue that we're talking about: pulling together residential services for the elderly and disabled. Previously, they were controlled by different acts and regulations, some for-profit, some not-for-profit, some blends under one act and some blends under another act. Obviously, it's a very difficult thing. In some ways, it's a bit like having two totally different medical care systems, the American and the Canadian system, coexisting in the same community. Obviously, it will be difficult to do that.

I would think the points you make are very valid and that the movement Metro has made and its reputation for offering quality services will be respected, but obviously you still have concerns. You don't see that reflected in the legislation at the moment.

I'm wondering, in terms of some of the consumer feedback issues, some of the oversights, some of the accountability such as we discussed this morning, how does the advisory council work?

Mrs Joan Barltrop: Each of our individual homes has an advisory committee. Sitting on that committee we have representatives of the residents' council—generally the president—a representative from the volunteer association in the home, a resident, a representative of our family committee in each home, plus community representatives. Depending on the community, often service clubs or local health care officials are involved.

We act in an advisory capacity to the administrator of the home. In addition, we try to act as strong advocates for residents for their concerns within that specific home, and we also play a role in quality assurance, in part, of the individual home. Also, our homes are accredited and as such they are surveyed, and one of the survey mandates is quality assurance, so we follow up areas of concern. In addition, we have a divisional home advisory committee, in which representatives sit from the volunteers, the residents, the individual homes plus community representatives.

Mr White: When you say "divisional," do you mean in terms of the homes for the aged division of Metro social services?

Mrs Barltrop: Yes.

Mr White: To whom does that committee report?

Mrs Barltrop: Community services, of which Mr Gardner is the chair.

Mr White: So you would report to them on a regular basis, make your comments and advice known in public session of that committee?

Mr Gardner: Yes.

Mr White: So you have the opportunity, then, where there are issues that are still outstanding after advice has been rendered to the local administrator, to bring that forth to the committee. At that point, in some sense it's a very public level of accountability, just as the members of that committee are publicly accountable.

Mrs Barltrop: Yes.

Mr White: How long have you been working with that committee, volunteering?

Mrs Barltrop: I have been chairperson for—I'm just completing my second year, and it's a three-year term. I sat on the committee approximately six years in total. Prior to that I was on an individual home advisory committee and prior to that I was very active in the volunteer sector within that home.

Mr White: So a very long history yourself.

Mrs Barltrop: Yes.

Mr White: So you've been familiar with pretty well all of Metro's homes? And you feel that system works reasonably well?

Mrs Barltrop: Very well.

Mr White: Thank you very much.

The Chair: Thank you. Ms Carter and Mr O'Connor.

Mr O'Connor: Just for the committee members here, I'd just like to make a couple of points and then I'll refer it to Jenny.

The government has made a commitment not to reduce the level of support, and I'm sure you realize that. There is the cap in place, and we acknowledge that. For a long time, Metro facilities have been at the high end in the province, I guess the highest. In looking at that and looking at the services you do provide, if we were to consider trying to bring everyone right up to your level, it's estimated that it would cost the province about $800 million. I just want to share that with some of my colleagues who might not know that. Of course, your recommendations will be brought forward to the minister, so I appreciate that and I just refer the question to Ms Carter.

Ms Jenny Carter (Peterborough): I want to raise one specific point you brought up. You mentioned that residents are going to be assessed on income only and not on assets, and I think there's a very specific reason for that, that I would like your comments on. That is that this is not a one-way street; we certainly don't want it to be.

Sometimes a person can need care in a home and can be rehabilitated and returned to the community, and we certainly don't want people to burn their boats, as it were. So if somebody's house could be sold in order to provide money for their upkeep in a home, then they would lose that option of returning to their previous lives. I think the intent was to avoid that and to make sure that people still had that integrity and that possibility of going back to their original life. Could you comment on that?

Mr Gardner: I'd like Sandra to comment first. I'll get the staff comments first and then I'll pop in.

Ms Sandra Pitters: I understand your position; there's no question about it. We do know, from talking to some of our family members and some of our residents who do have considerable assets and do not have the income, that they are willing to continue an income/asset test because they are willing and desirous, actually, of continuing to contribute to care when the assets are available. I understand your perspective, but from Metro's perspective we feel that those assets could be used to offset the provincial contributions.

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Ms Carter: But is there any reason why people couldn't do that voluntarily?

Mr George Coleman: I'm not sure.

Mr Jackson: The answer is no.

Mr Coleman: I would like to think they would, but I would doubt very much they will. In some instances where a spouse would stay living in the community in the home, we assume that eventually, when that home is sold and the spouse no longer requires it, then the funds from that—some people actually sign a lien against their own facility so that those funds can be used to cover the costs of care. I guess it's a question of, do you burden the taxpayers or should that money be made available for basically the estate? I guess that's where you have to come down on, those large sums of money. In Metro Toronto, because of the real estate values and what have you, there are people with a lot of dollars.

Ms Carter: Do we still have a moment?

The Chair: If it can be short.

Mr Gardner: Could I just respond in addition? One of the other things in regard to your question is that there are a lot of people coming in who require a heavy level of care, and at the average age of 86—that's the average age—many of them will not be going back to their own home. Once they're in, we're going to have them, and that's one of the reasons we're looking at utilizing other assets, other than just the income alone.

Ms Carter: I remember attending a lecture by a medical man who specializes in gerontology saying that rehabilitation is more often possible than has been realized and that we seriously need to keep this in mind.

I just wanted to raise the question of choice and people going to the ethnic home or whatever. Certainly, the intention of the legislation is that this will be enhanced, rather than lost. We're hearing people say that the placement mechanism is going to deprive people of choice, that they're just going to be sent left, right and centre, that homes are going to have to receive people whether they like them or not type of thing. But I think it's very clear that that is not the intention and that even if it means sending somebody from, say, a small town into Metro or a long distance to be in a home that is suitable for his or her particular requirements, that can still be done and will be done.

Mr Gardner: It may be the intention of the legislation, but the way the legislation reads, there's nothing anywhere near a guarantee that would happen.

Ms Carter: Have you suggested wording that would supply that deficiency?

Ms Pitters: If I might comment also before that, just to add a few comments about Metro systems, you are correct in talking about ethno-specific homes, but one of the strengths we believe we have in our division is that we've been able in a number of homes to create units working with specific community groups, for instance, the Japanese Canadian community, the Armenian community, and the list would go on. So it is possible to have a mainstream home that has developed a program that is very sensitive to the ethnocultural and religious needs.

Our concern is that the placement coordination function needs to be very flexible and adapt to the systems and the needs in each individual community. You can't put a system in place across the province that looks the same in every local community because the needs of the communities are different, and that placement coordination function needs to be responsive to those resources and know enough about the facilities themselves to match them up. We just do have concerns that unless that flexibility is introduced into the system, we're going to lose the opportunity to work with the ethno-specific groups that are so prevalent in Metro Toronto and that we think we work well with.

Ms Carter: I'm sure we'd all wish that to continue.

The Chair: We could turn then to Mr Jackson.

Mr Jackson: Are you not going to recognize your colleague?

The Chair: Well, I was, but I thought—

Mr Jackson: Oh, we're going this way.

The Chair: Given the order of entry after the noon repast, I thought I'd go to you second.

Mr Hope: We thought we'd go the left, Cam.

Mr Jackson: Well, listen, you've been doing that for years, Randy.

First of all, thank you for the brief. I especially want to thank you for the compendium, because we don't get a lot of effort put into specific wording of amendments and that's extremely helpful to the committee. I've had a chance to look at both documents, so thank you.

I want to centre my questions around the uniqueness of Metro, but I wanted to pursue, before I do that, this business of the income testing. I think some of it also has to do with the fact that legislation and rights for spouses have changed and what's deemed to be—the spousal home is only owned half by the spouse, so when you get into asset calculation and having to liquidate, you're literally forcing another person out of a home. Also, the government has clearly indicated that it sees inheritance taxes for general revenue purposes, so to preserve as long as possible that which is to be transferred so it can be taxed is a far more important issue to the Treasurer than—

Mr Jim Wiseman (Durham West): Make it up as you go along, Cam.

Mr Jackson: Mr Wiseman, you're picking all this up, I hope. It's when you're really quiet that I know you're not catching any of it, so I'm glad you're getting the picture here.

The Chair: Order, please. Mr Jackson has the floor.

Mr Jackson: Obviously, the Treasurer's interest in these matters is more important than, say, the Minister of Health's in terms of long-term care because we're basically talking about participation in the funding here. That's basically what was at the root of your concern: access to the opportunity to direct those funds at that point. No one wants to talk about it, but in fact that's part of the underlying aspect of that.

To move to the point you make on page 8, I want to pursue that. I need you to help me elevate my understanding of how your division-wide access and service coordination occurs. Are you doing that solely for your sector or are you doing that for all residents of Metro Toronto, and that across all facilities? That's my first question.

Mr Coleman: Currently, we're only doing it for our own 3,200 beds. We did have a pilot project with about five or six charitable homes for the aged in Metro that we started about two years ago. We ran it successfully for a while. The charitable homes for the aged couldn't sort of pick up the funding from the province they needed to carry on, and it never got—

Mr Jackson: Was there ever an evaluation done?

Mr Coleman: Yes, there was, and it was very positive.

Mr Jackson: Could we get a copy of that evaluation? What we're obviously leading to is that you are the first municipality to come forward and specifically say: "Look, we're already doing 75%"—we'll say for a figure—"of all the placement coordination work in Metro Toronto now.

Why not give us the responsibility for the remaining 25% and cut out a whole level of government intervention?"

Mr Coleman: We can supply you with that information.

Mr Jackson: I'd like to analyse it from that point of view. It's unfortunate the government saw fit not to proceed further with the funding in that area. I guess this is a question for Norm: Would you see difficulties arising from Metro undertaking placement coordination services—and what's implicit in your brief is inspections etc, the whole gamut—for the non-profit sector? Because that's what's implicit in not creating a second level. Otherwise, the province would be left to just manage the one sector while you manage the major sector in Metro.

Mr Gardner: That's along the lines we would like to be involved with.

Mr Coleman: The Metro housing company has a central registry in Metro, and the thought behind it is that you would take it away from the day-to-day operation of the Metro homes for the aged and it would be operated with advisory committees from the various ethnic groups on it, but as part of the community services committee and not so that—it wouldn't be sort of an indication there was a conflict between who got placed where.

Mr Jackson: Do you envisage maintaining your current access and service coordination processes in tandem with, or would you be eliminating yours?

Mr Coleman: No, it would be rolled into a larger—

Mr Jackson: Have you been told that or is that just what you surmise from the legislation?

Mr Coleman: You mean if we don't do the coordination?

Mr Jackson: No, if the province comes in with its top-down approach, which you're concerned about, would you run this in parallel or would you just disband that aspect?

Mr Coleman: It's my understanding that we would have somebody referred to us and we would have to accept him, and that would be the end of the story, so there would be no need for it.

Mr O'Connor: Not intentionally.

Mr Coleman: That's kind of the way the bill is worded.

1440

The Chair: Perhaps we would allow the witness to respond. I appreciate that others may have comments, but let's keep it to question and answer. One more question, Mr Jackson.

Mr Jackson: Recognizing, then, this role—and I'll use an inappropriate phrase, but it's one that's being used in health care more frequently—this person becomes the gatekeeper to the system. You're basically suggesting to us that the most sensitive and appropriate gatekeeper to the system is at the local municipal level.

Mr Gardner: Yes.

The Chair: Just before passing to Ms Sullivan, with respect to the request that was made about the document, Mr Coleman, if you would be good enough to send it to the clerk, then we'll get it to all the members.

Mr Coleman: Thank you very much.

Mrs Sullivan: I'm rapidly moving to the bill, but I'll ask the question anyhow. On the last point, with respect to Metro continuing to operate a placement coordination system, am I misreading the bill and understanding incorrectly that the minister would not have the option of appointing Metro as the placement coordinator?

Ms Pitters: No, that is correct. The bill would allow that designation to an individual or any agency. We have heard informally, and I stress this is informal, that there is concern regarding the government having a direct service provider performing that function, and that's why the municipality, not just our division but the broader department in the municipality, has looked at moving it at arm's length away from the division in order to have a system that would work well for the whole long-term care facility system in Metro.

Mrs Sullivan: So, within that, you have already examined that potential conflict between provider placement.

Ms Pitters: Yes, we have.

Mrs Sullivan: You may welcome it indeed if a new system is in place that you in fact have already recognized as being an appropriate one, and the minister said that should be it.

Ms Pitters: Of having placement coordination function—

Mrs Sullivan: Separate from the provider but still under the auspices of the regional municipality of Metro.

Ms Pitters: That's correct, and our premise would be that our system is there, it's working, it's a system that could be built on, and we believe we have an understanding of seniors' needs in facility-based services.

Mrs Sullivan: My second question concerns Mr Gardner's remarks on page 11, the one place where he departed from the text, where he said, "A standardized, inadequate funding system such as the one proposed places an unfair hardship on employers such as Metro," and then you added the words, "due to government-mandated pay equity." Could you clarify that for us? I know it wasn't in the original text. My understanding was that the non-profit sector was being aided in terms of pay equity requirements through funding from the province, whereas the private sector was not receiving that assistance.

Mr Gardner: Metro has pay equity implemented. Consequently, the people we are hiring are under that section and are higher-paid than the people in the for-profit sector. Also, when you combine that with what Mr O'Connor addressed, with what we feel is a higher level-of-care service, our costs to operate are much higher than in other parts of Ontario. Is there anything else you'd like to add?

Mr Coleman: My information may not be 100% accurate, but I don't believe there is any mandated pay equity at the present time other than at the municipal level of government. The only bill that has been passed and the only organizations that have been required to implement pay equity are at the municipal level of government. So I

don't think it applies to your charitables, your non-profits, your private sector. I suggest that there's a substantial difference in pay between an employee in a Metro home for the aged and somebody in an Ontario home.

Mrs Sullivan: In terms of the schedules, there has been information before the committee that the intention of the province was to assist in the transferring of funds to the non-profit sector to deal with its pay equity adjustments, and that same funding would not flow to the private sector at the appropriate time of the implementation of pay equity. I just wanted to clarify where you're coming from.

Mr Coleman: I guess my only comment is, we need the cheque then.

Mrs Sullivan: I wanted a further discussion of the next issue, because you are the first municipality that's been before us. I think it will be of value. In both of your documents—they are both useful to us—there's an indication that quality assurance is a mandate of the governance of the municipality. As a consequence, you take issue with "quality assurance." We have objected to the use of the words "quality assurance." We think "quality management," a more generic term with greater flexibility, is an appropriate term to be included in the legislation. Assuming we get the term right, are you saying that even if the words were "quality management," that is not the appropriate link in the legislation and the standard for each home; that that is the judgement of the municipality?

Ms Pitters: We used the term "quality assurance" because that was the term used in Bill 101, so to keep the jargon together. I appreciate your comment on quality management. Indeed internally, in the division, we tend to focus more on the other acronym of CQI, continuing to improve the quality of our services.

What we're really saying is that the issue of quality is one that the governing body we believe should be managing. If the governing body and our advisory committees are managing the quality well by providing us with recommendations—by the way, we do have very clear quality indicators for all our principal functions and topics in all our areas of operation within the division—we can provide you with the assurance that quality is there in the system without having a superimposed provincial model. We can provide you with that without having to have the same type of inspection system that historically has existed in nursing homes.

Mrs Sullivan: What you are suggesting then, I take it, is that an amendment to the sections of Bill 101 that would specifically refer to the charitable and municipal homes would be required to recognize either the board of directors or the municipality form of governance, as compared to the Nursing Homes Act where there is a heavier reliance on the private sector, with one operator, one home.

Ms Pitters: Yes, that's correct.

Mrs Sullivan: Interesting.

Mr O'Connor: Mr Chair, if I might just enlighten the committee—

The Chair: The committee is always open to enlightenment.

Mr O'Connor: I know there has been some discussion here about pay equity and I just wanted to let the committee know that the Metro homes have yet to incur any cost as far as pay equity. All the homes for the aged that have incurred pay equity costs have had these costs subsidized through the regular cost-sharing avenues, even those homes that have been capped, as we've talked about here. I just thought I'd share that with the committee as we have discussed that.

The Chair: As members may be aware, the 2:30 deputation was not able to come and our 3 o'clock group is not here as yet, so if you are agreeable to remain with us for a few more minutes, I would open it up for some more questions and try to do it in a fair manner with another question from each caucus, if that's okay.

Mr Jackson: I had a question for Mr O'Connor.

The Chair: For the parliamentary assistant?

Mr Jackson: Yes. Last week I was doing the pay equity hearings. We asked for information on the costing and the government members voted against us getting that information. Do you have the information on the pay equity amounts transferred from the province to that sector? I thought Mr Gardner was very restrained by not referencing the shortfall in the moneys promised to the municipalities for pay equity purposes. If you've got those numbers, just how much information did you want to enlighten us with?

Mr O'Connor: The information I have is just for homes for the aged. It's not for the broader sector.

1450

Mr Jackson: It's just been handed to you.

Mr O'Connor: I don't know about whatever you referred to in that other committee. I know we're just dealing with that one issue Ms Sullivan has raised.

The Chair: To try to be clear here, Mr Coleman, I understood from what you said that you had not seen any money. I'm just a little unclear, as the Chair. You're supposed to receive money but haven't? Or are you saying, Mr O'Connor, that they—

Mr O'Connor: They haven't incurred any extra cost as a result of pay equity programs. Through the regular cost, they've been able to—

The Chair: Mr Coleman, could you make a comment on that, please?

Mr Coleman: Just to clarify, the pay equity program at Metro has been finalized and negotiated and the numbers are available, but we don't have a firm commitment from the province that it's going to pay its share. At the Metro council meeting about two weeks ago, Metro council said that it would pay its share and then the Metro chairman was to get a firm commitment from the province to make sure the provincial share was going to be paid. That firm commitment has not been received.

Mr Wiseman: On a point of clarification, Mr Chair: With respect to what Mr Jackson indicated, in the pay equity hearings last week, the Conservative caucus put forward 11 or 12 requests. On examination of the staff from the ministry by the member for Oriole, it became quite

apparent that while some of the information could be forthcoming readily, basically what would have happened is that there would have been a lot of time put in scurrying around trying to find information that was not as readily available and therefore it would have been very difficult.

The members of the government party who voted against the Tory request were joined by the member for Oriole with respect to voting against that, not because we did not want the information to be forthcoming but because of the considerable burden it would have placed in order to find out what that information was at this time. However, the staff did make it known that they would endeavour to put that information together for the Tory caucus, and they'd know that.

The Chair: I'm going to ask Mr Gardner to comment.

Mr Gardner: Mr Chairman, AMO was talking with the provincial government with regard to disentanglement issues. To be quite frank with you, nobody has been able to give us an idea about whether the provincial government, in view of disentanglement, will be providing that difference as far as pay equity is concerned for ever or whether it's going to be on a very short-term basis and then the municipalities will be less stuck with higher amounts of salaries regarding pay equity vis-à-vis the for-profit sector. So there are a lot of things here that we don't know anything about and nobody can give us an answer to.

Mr Jackson: Mr Chairman, on a point of clarification: Mr O'Connor attempted to clarify that point. I'm not sure he did. Did he indicate that the funds will be forthcoming?

Mr Hans Daigeler (Nepean): I don't think he can speak for the government.

Mr O'Connor: Perhaps we can try to explain this a little bit better than I've been able to explain it.

The Chair: Just briefly, because the issue here is not what happened in another committee, it has to do with this specific issue.

Mr O'Connor: Exactly.

The Chair: If you have a comment about a cheque that is either on its way to Mr Coleman or might be on its way, I'm sure he'd be delighted to know. Please go ahead.

Mr O'Connor: Thank you, Mr Chair, for those thoughts as well. My thought was that we could ask Geoff Quirt to come up and perhaps explain for the committee what I tried to explain. It might just enlighten the committee somewhat, if that would be agreeable to Mr Jackson.

Mr Jackson: Mr Chairman, I'm prepared to accept it in writing. I was just contrasting that when we requested a simple bit of information, we were unable to get it. I'm happy to get it if we can have it written out. Mr Quirt's in the room. He can respond, it can go through the clerk and be distributed. I think it's important information.

Mr Wiseman: You're just trying to make a political point, that's all.

Mr Jackson: Mr Wiseman, I deeply resent bureaucrats running to a parliamentary assistant with information which is thrown out on the table. We're expecting that it comes from a reliable ministerial source. I have the right, as a member of this committee, through the Chair, to ask that that information be formally presented and not thrown in as a political message. That's what I objected to. So I would ask that it come in the form of a report—we can interview the ministry official once we get the information—but not to have it thrown out after it's whispered in your ear during the course of a discussion. That's what I think is wrong about what's been going on here.

Mr O'Connor: Obviously, he doesn't want the information right now. I thought it would useful to the committee to have somebody come forward and talk about that while we were in the midst of a discussion, as brought up by the opposition members. Should they not want to get that, we can get that in writing.

The Chair: I think that would be fine, because really what we are trying to do this afternoon is hear from the delegations. We can get that and then if we feel that there is a need for further discussion, we can do that.

If I might thank you; you have certainly raised a number of issues, one in particular which has elicited some response. If I'm permitted, I would say to Mr Coleman that it probably won't be surprising to you to know that Green Acres is still there and still a matter of some discussion. That's sort of an in joke, but we'll leave it at that.

Mr Coleman: Thank you very much, Mr Chair.

ONTARIO NURSES' ASSOCIATION

The Chair: Our next witnesses are from the Ontario Nurses' Association, if they would be good enough to come forward and take a chair. Welcome to the committee. We have a little more time and I'm glad that you're here. We can start a bit earlier. That will allow us more time for questions. If you would be good enough just to introduce yourselves for the committee members and for Hansard, and then please go ahead.

Ms Ina Caissey: We're missing one person but I will start. With me are Carol Helmstadter, who is a government relations officer with our government relations department; Lesley Bell, associate director of government relations; and Seppo Nousiainen, who is our research officer. My name is Ina Caissey and I am the president of the Ontario Nurses' Association. I am here today to represent the views of over 50,000 staff nurses in this province.

The Ontario Nurses' Association, as the voice of these registered nurses who work in hospitals, community health, industry, nursing homes and homes for the aged, brings a unique perspective to these committee hearings. The union congratulates the government for this proposed legislation. There has been a need for uniform standards in this sector of the health care system for a long time and we are pleased to see that the government has taken this action.

ONA also welcomes the act's strengthening of the existing legislation in such areas as compliance and accountability and the provisions for a more equitable admissions process and stronger appeals system.

However, ONA does have a number of comments and concerns which I would bring to the attention of this committee. I will restrict my comments to the sections of the bill dealing with the Charitable Institutions Act, recognizing

that these comments also apply to the amendments proposed for the Nursing Homes Act and the Homes for the Aged and Rest Homes Act.

The first area that I would like to touch on is under section 9.3, where the act states that the charges for various classes of services, goods and programs shall not be in excess of amounts determined by regulation. However, the government's discussion paper Redirection of Long-Term Care and Support Services in Ontario has made much of the fact that residents will not have to pay for nursing and personal care services in a home for the aged or a nursing home. If that is what the government intends, then it would be much clearer if the act stated that directly. Our concern is that as the act is currently written, nothing would prevent the government from charging for such services through its regulation-making powers.

Again, the same sort of situation applies to adult day programs which may be offered in a nursing home or a home for the aged. If they are to be provided without charge, as the discussion paper suggested, then this proposed legislation should reflect that.

1500

On the question of funding, ONA would like to make it clear that the government must provide sufficient funding so that all homes are able to provide a satisfactory level of nursing and other services without asking health care workers to accept substandard wages and benefits.

Over the years, our union has heard from both private and public sector employers that they have an inability to pay registered nurses and other workers satisfactory compensation. Also, employers have attempted to replace registered nurses on staff with less qualified and less expensive workers. This naturally increases the workload on the remaining registered nurses, since they are ultimately responsible and accountable for the quality of nursing care given. The biggest losers in these situations are the residents of the homes.

While the province is currently engaged in the development of a funding formula for all long-term care facilities and services, there is yet no guarantee that any of the possible extra funding to the long-term care sector will actually find its way into providing better care for residents. For example, it may go into accommodation.

Other areas that we would like to address are sections 9.5 through 9.10, which deal with admissions to homes and the appeals procedure. Under subsection 9.5(6), we have difficulty understanding how it is possible for a placement coordinator to force an institution to accept an individual if there is no space available in this institution. This situation will no doubt occur with even more frequency as the province constrains institutional bed capacity. If in fact the intent was to have the placement coordinator prepare an alternative community-based care plan for individuals who are refused admission to a facility, then this section should be expanded to include that specific direction.

Another option could be placement in chronic care institutions. Yet at this point in time, the future of these facilities remains uncertain. Of course, it could well be that the government plans to introduce legislation which governs admissions to facilities and services such as community-based home care in the non-homes sector. If this is the case, it points to an inherent weakness in the province's planning process, which seeks to govern admissions to the homes on the one hand, without improving access to the community-based, long-term care sector on the other hand. Yet this is precisely what seems to be happening, since we do not yet have corresponding legislation for community-based, long-term care programs.

I would now like to refer to sections 9.7 and 9.8, which speak about applicants. Since the reality is that some applicants could well be incapacitated, it would be helpful if consideration were given to additional wording which would give a representative or agent the ability to make applications and appeals on behalf of the client. We question whether the 30 days set out for a hearing is sufficient time to apply for a hearing, given the many reasons that could delay a response to a determination notice. Preparation of an appeal may be an extremely involved process, since there will be a need to consult with the applicant, who may be impaired, with family members, physicians and other professionals. Likewise, under section 9.8, it is arguable that some time limits for hearings should be imposed on the appeal board itself.

The next area on which we would like to comment is clause 9.12(a), which covers plans of care. We believe it is essential that the requirement for ongoing assessment of each resident stipulate specifically that the assessments be done by registered nurses and physicians. We believe it would be useful for the committee to strengthen this area even further by considering that a multidisciplinary approach be used in needs assessment, keeping in mind the need for nursing input and expertise in developing plans of care.

It has often been noted that services to patients in long-term care settings should involve caring for the whole person. We believe that clause 9.12(b) also needs to be strengthened to state that all care plans should consider the patient's psychological, social, emotional and spiritual needs as well as medical and nursing needs. It is also important that the resident and family be involved in the development of the care plan. We believe that it should not be necessary for a resident to ask to see the care plan; it should be provided automatically.

ONA would like to stress at this point that registered nurses are being placed in an increasingly untenable position as homes are making greater use of health care aides and other non-regulated personnel. As the College of Nurses of Ontario has clearly pointed out, the registered nurse retains overall responsibility for the decision to delegate, the instruction provided and ongoing supervision.

Although ONA has been told that while the college would make allowances for the lack of control which an individual nurse has for following a resident, the college has every intention of holding the individual registered nurse responsible for the performance of the delegated act and the safety of the resident.

Clearly, something must be done to correct this situation. If a registered nurse is working on an understaffed ward or with colleagues who have no experience in that kind of work, or if the ward is staffed with a high proportion of

underqualified personnel, even the most competent nurse in the world would be unable to deliver safe care.

We fully support clause 9.12(d), which requires that the provision of care outlined in the care plan is in fact provided to the resident. We sincerely hope the government recognizes that this care cannot be provided without adequate and appropriate staffing levels which match the care requirements of the resident with the skills package of the provider. As the solution, ONA would recommend that this legislation be amended so that the primary responsibility for the creation of safe conditions for good nursing care would be placed squarely with the employer.

Under section 9.13, we would recommend an expansion of the core areas to be covered in quality assurance plans. They should include nursing services, medical services, rehabilitation, social work, recreational and pastoral services. Other programs could be added later or as needed through regulation.

ONA would like to recommend that the principles of continuous improvement should be applied to quality assurance plans. The current system of quality assurance in most health care agencies rests upon the measurement of the performance of individuals. Unfortunately, the standards for these measurements are often extremely narrow; for example, whether the handle used for raising a bed was left sticking out.

When a complaint arises, the blame is assigned to an individual nurse. However, with the continuous improvement system, quality assurance becomes an integral part of the management system, which aims at improvement of the performance of the organization as a whole, not just at identifying a few bad apples. All members of the organization accept responsibility for their behaviour, not just the individuals at the bottom of the hierarchy.

In nursing, this would mean that researchers, educators and administrators would also be accountable for their performance and would also aim at positive support of the practitioners. The outcome would definitely be better nursing care. ONA believes quite strongly that the continuous improvement system of quality assurance is empowering and would result in far better and safer nursing care than the present complaint-based system.

The last area of the act that we would like to discuss is under clause 10.1(5)(d), which covers inspections. We are troubled by the proposed wording. While we agree that an inspector should be able to question health care workers on relevant matters, there is a need to protect that worker or any other worker from reprisals by employers or even from discipline proceedings which might be brought by third parties such as the College of Nurses of Ontario.

ONA would suggest that this section of the act be changed so that any information received by an inspector remains privileged and shall not be communicated to any other persons. Indeed, we believe that if this kind of privilege is not provided, the inspector's ability to do his job will be severely compromised.

As a general comment, we would like to point out to this committee that registered nurses are beginning to suffer from a certain amount of accountability fatigue. Besides being accountable to their employer, registered nurses are compelled to answer to their professional body, the College of Nurses, not only for their own actions but also for the actions of those whom they supervise. Then with the introduction of the Advocacy Act another level of accountability was created, and now it is proposed that registered nurses should also be accountable to an inspector from the Ministry of Health. The cumulative effect of this is quite oppressive for us as professionals, and ONA would greatly appreciate anything the committee can do to relieve this burden.

In conclusion, on behalf of the registered nurses represented by the Ontario Nurses' Association, I commend the government for the creation of these new common standards for nursing homes and homes for the aged, and for strengthening of the compliance systems and the mechanisms for accountability.

However, much work remains to be done. The Ontario Nurses' Association urges the provincial government to move forward on its commitment to health care reform in a coordinated way, which will address not only long-term care homes but also the shift from institutional to community-based care. We look forward to commenting on these initiatives in the not-too-distant future and would be happy to address any questions.

1510

The Chair: Thank you very much for your brief and particularly for a number of very specific suggestions. I'd like to think we planned the presentations, in that yesterday afternoon they all seemed to be on similar topics and today, this afternoon, we've had two with very specific proposals around amendments or changes. It is helpful to have that. We have a number of questions, starting with Ms Sullivan.

Mrs Sullivan: I heartily agree with your comments on the quality assurance issues. I think that yesterday or the day before we had a fair commitment from the parliamentary assistant to the Minister of Health that the words "quality management" would be used, rather than "quality assurance," to take into account the CQI programs or continuous quality improvement approach I think we all want to see. Certainly, if we don't have that concurrence from the government in terms of amendment, we will be putting an amendment to that effect forward. We think it's the appropriate way to go.

I'm interested in the approach you speak of in terms of developing a plan of care. I assume the ONA was part of the consultative process in terms of the development of the manual and the standard agreements and so on. Have you had access to the first go-round of the draft of the operating manual? No. Okay. Well, that's interesting.

I suggest, then, to the ministry that the ONA would be a useful organization to be consulted on the manual, since many of the members of this organization are in fact involved in care delivery in homes, whether municipal nursing homes, charitable homes or whatever.

I don't know if my question's going to make any sense now if you haven't seen the manual, but in the course of the development of plan of care, one of the issues you have raised is the multidisciplinary approach. That issue has also

been raised in terms of the placement coordinator's role in being the sole assessor. Where, then, does the other multidisciplinary approach come in in the first place as the care requirements are determined?

The OMA has suggested, by example, that the medical records and consultation should be included for the impairment issues, that others should be involved in terms of the social needs and rehabilitative needs and so on, in terms of the placement in the first place, along with the resident's own choices.

I thought that was an important aspect and I didn't think the standard agreement or the assessment forms in the Draft 1 of the manual took that into account in the depth they should have. But if you haven't seen them, you don't know what I'm talking about.

So then we move on, once the person is in the home, to the plan of care, and you have spoken about the multidisciplinary approach to the plan of care, which you can speak about without having seen the manual, I think. How do you see, now, the legislation directing how that plan of care will be devised under Bill 101?

Ms Carol Helmstadter: How it will be devised?

Mrs Sullivan: Yes. Who is the assessor?

Ms Helmstadter: I think we would say it was the nurses. The people who certainly are most familiar with the residents are going to be the staff nurses, because they're there all the time and they are the ones who are also responsible for coordinating the care, for seeing that the patient gets to the physiotherapist, that the occupational therapist comes in and that sort of thing.

There has to be a team approach, obviously, but the staff nurses are clearly the ones who are there with the patients for the greatest length of time and therefore are most familiar with what their capabilities and their other problems are.

Ms Lesley Bell: I can't speak to the manual but I can certainly say that, as it relates to the placement coordinator and the development of a care plan, we feel that nursing has to play an important role in that and feel that placement coordinators in fact should be nurses. I know we're not always fully supported in that point of view, but that's certainly our position, because what normally happens with these people, with these residents, is that often what they're there for, if they're in an institutional-based setting, is nursing care. It's one of the requirements, and we feel that nurses provide that ability to determine when there are changes needed, based on input from other people.

One of our concerns is that we don't know who the placement coordinators are going to be as yet. Another concern is that a number of the things as they relate to Bill 101 are left up to regulation. The problem of regulation is, who knows what that's going to be and will we have any say in it?

Mrs Sullivan: I think we all have that same problem, because the regulations haven't been drafted. We asked even to see an initial draft of them and were told that it has not been done. We received as a committee the copy of draft 1 of the manual yesterday, and some organizations, such as yours, which I think should have had a look at it, have not seen even draft 1. I think there are problems in knowing in fact what's on the table here, and particularly when we don't know the broad ultimate policy and strategy that's coming forward and won't be coming forward until next fall, we're told.

The Chair: We'll turn next to Mr Hope.

Mr Hope: Thank you. You do have a copy of the manual now?

Ms Bell: We do, thank you.

Mr Hope: And we do await your opinions on the manual, and I'm sure the organization will do that.

I'm just curious, before I forget, I noticed while you were doing your deputation you forgot one area. I think it's just before your conclusion on the copy we have, something about non-profits? I notice you overlooked that or didn't want to put that on the record, or just made a mistake maybe. I just thought maybe you would like to reiterate that area of that.

Ms Bell: Actually, thank you, Mr Hope. One of the reasons it wasn't in the verbal presentation was because the submission got changed at the last minute and it wasn't included. Seppo, did you want to speak on this particular matter?

Mr Seppo Nousiainen: No.

Ms Bell: All right, fine.

Mr Nousiainen: We'll just leave it.

Mr Wiseman: It seems like something nobody wants to talk about.

Ms Bell: Actually, no. We're very concerned with the comments in the section you're referring to. It says that the director may authorize an increase in bed capacity of a nursing home, and what we're concerned with is that this doesn't mean that it will only be for-profit beds that are increased. We don't support the increase of for-profit institutions in any matter. We think there's enough out there and we should be dealing with not-for-profit.

Mr Hope: I notice in this legislation we're talking about, we're talking about an act with a lot of regulations, but in order for us to meet the needs of people—and I guess, coming from the nursing profession, you know modern medicine changes quite frequently. You need government to change quite frequently. As you see, these acts are a little outdated. I guess that's why the intent of so many regulations are in there.

But when you talk about stuff we should put in the act, how can we put things in the act that you've brought out here that's not there or needs to be cleared up but allow the flexibility for regulations?

Yes, I remember sitting in the exact same spot you are, and when the government used to tell me, "We've got it in regulations," I used to scream and holler. But it was on different areas, where it could have been in the act and it wasn't. I even made recommendations of what the wording could be and I know they totally refused those comments.

Mrs Sullivan: That was then.

The Chair: Isn't it true that confession is good for the soul?

Mr Hope: Anybody can read through Hansard and find out. But as we try to define an act, yet allow the ability to meet the important needs of the consumer, which you have indicated, and we're trying to do a balancing act, do you know how long it takes to put legislation through the House in order to do what you need to do in regulations to meet the emergency situations that we're all talking about? I'm just wondering about your viewpoints on that.

1520

Mr Nousiainen: Yes. Listen, I just want to point out—

Ms Bell: I think I said it backwards. I think Seppo's going to correct what I said.

Mr Nousiainen: No. This is correct. I think you have to enabling legislation, but I don't think I saw anywhere else in Bill 101 a sort of explicit reference to expanding bed capacity in the non-profit sector. It seems that this is sort of identified individually, and we wondered why that would be.

Are there other reasons why you can't put something into legislation which sort of says that the minister may enter into agreements, I assume with municipalities and charitable institutions, to deal with this issue? It may be covered somewhere. Perhaps I missed it, but I didn't see a specific mention of that.

All we're really saying is that we've had a lot of problems with the for-profit nursing industry over the years, and suddenly we find that the bill highlights the potential need to increase for-profit beds and we're wondering why that is. We also note that it has never been the government's intention to do that. At least, that's been the policy of the government.

We're not saying that you should get rid of non-profits; we're sort of saying let's just hold it for the time being and let's sort out the problems we've got there, and before we proceed with any further approval of for-profit nursing homes we've got to sort these problems out. We just wondered why this was in the bill.

Ms Bell: If I can go back to the question that you then went on to, as it relates to enabling legislation and trying to keep it open enough and using regulations, I suggest that maybe if the legislation came with accompanying regulations, we could then comment on the package. It still would allow the government in future to change regulations based on, as you put it, changing technology. I'm not suggesting that's easy, but it's very difficult to only address a piece of legislation without knowing what the ramifications of the regulations are going to be. But that's, of course, your job.

Mr Hope: Just as was said in the act about the services, I'm just wondering, because the services will be part of the regulations, how do we put—and I know what you're coming at. You want at least the minimum protection that the employer can't take away from them. The minimum protection has to be there and it's in the act, the regulations.

Mr Nousiainen: Are you talking about private—

Mr Hope: I'm talking about page 2 in the presentation that I have, and I guess it's somewhat different than what you've got. The written presentation, on the top part there, first paragraph.

Ms Bell: Our comments were that our understanding is that the government does not intend to charge for nursing care and personal care and that you're going to deal with the other charges through regulation. All we're saying is that if those are exclusions, then write them out. If your intent is at some point in time to charge for nursing care, then I suggest that should be debated and that that part of the legislation should be enshrined.

Mr O'Connor: I want to thank Ms Sullivan for pointing out an error on our part, and so I accept that. I'm pleased that my colleague has given you a copy of the draft manual. It may raise your comfort level somewhat knowing that a nurse was, I believe, involved in the writing of that draft, but for sure we'll make sure that you're at the table when we do discuss it further. I appreciate that and thank Ms Sullivan for pointing out our omission.

The Chair: We're always indebted to Ms Sullivan. Mr White.

Mr White: Just a couple of very quick follow-ups from earlier questions. You have nurses who work in both the for-profit nursing homes and the not-for-profit, community-based services—

Ms Bell: Yes, we do.

Mr White: —yet you came up with a fairly clear position in response to my colleague's question. You're saying that some of the problems with for-profit centres really need to be looked at prior to this kind of reform.

Ms Bell: What we're suggesting is that you don't increase anything in that. We have some concerns with that because of the argument of inability to pay. With that argument, it's very difficult, when these people are attempting to make money, to determine where the inability to pay falls in and where the profit level falls in. So it's just a general comment that Seppo mentioned, that it specifically says to that we don't see it in the general case.

Ms Helmstadter: The former Minister of Health was very concerned about the expansion of the for-profit sector, and she said it was seen that very few companies were expanding rapidly in urban centres where the care was cheaper and it was more possible to make a profit, and in the rural areas and in the north and so forth, the ministry was left. I think this is a real problem, which has a potential for expanding. We're not saying that these for-profit homes should be put out of business; we simply want them to run fairly and without making an undue profit. They shouldn't be allowed to expand while the non-profit homes cannot.

Mr White: I certainly hear you saying that you have no slant in opposition to for-profit nursing homes, nor, obviously, does our government.

Mr Jackson: Your nose is growing, Drummond.

Mr White: But you're saying at the moment the expansion is very unequal and creates a greater imbalance than previously existed.

Ms Helmstadter: Yes.

Mr Jackson: I have to recover from that last statement. I'm encouraged to hear from Mr White that his government has no difficulty with the private sector nursing home. I don't want to quote you out of context.

Thank you for your brief. There are some labour aspects here which I'd like to explore, but my understanding, just to go back to the point that was raised earlier, of the enabling aspect of expansion of nursing homes has to do with the collapsing of nursing homes and the ability to merge licences and the exact number of bed mix. It also has implications for overbedding and authorization from the province for overbedding and stuff like that. That's my understanding of it. I don't see it as much as a serious issue as it is a management tool.

I've participated in discussions to save a couple of nursing homes from folding, and that was part of the discussion. That was in the current legislation under the Nursing Homes Act and is being transferred over to here. I shouldn't be the one explaining that, but I believe that's in effect what it's about. So I don't think it's as much a risk factor. I know it's not implicit of expanding the total number of beds; it's more specific to a certain facility. If you want to amalgamate two nursing homes and have one administrator, those kinds of things, essentially your licence flows from the building.

Anyway, leaving that for the moment, I want to pursue the concerns you've raised about the utilization of paraprofessionals. Can you enlighten me further on how extensive the practice currently is in the not-for-profit sector.

Ms Caissey: We are hearing from more and more of our members all the time that with the current layoffs, what is happening in a lot of areas is that the registered nurses are being laid off and replaced with other classifications of care providers. Our real concern is that with fewer registered nurses in the building, the responsibility on the ones who are left is overwhelming. As well, we are concerned that the residents in these places may not be getting the care that they deserve because of the lack of registered nursing staff on the premises.

Mr Jackson: Which of the acts currently addresses this issue, which of the ones that we should be strengthening? Bill 101 is the changing of seven or eight different bills.

Ms Helmstadter: It's essentially a technical bill trying to establish equitable funding across the board. Our suggestion was simply that in quality assurance there should be some standards set for a minimal number of registered nurses, because if you could see what the populations of these homes are like now, in 10 years, the average age level has gone from 72 to 85.

People are living much longer, with a great deal more support from drugs and other technologies, and they're requiring a very much higher level of skill to look after properly. We feel it's putting too much burden on one registered nurse, with some health care aides and an RNA who gives out the medicine, to really try to be certain that her residents or clients or whatever are getting an adequate level of care.

1530

Mr Jackson: That's helpful. What I'm trying to get at is that currently the practice is growing, and the practice of bringing in paraprofessionals, in your view, is a process of not maintaining appropriate levels of supervision and professional care. That is currently, now, happening. Where is it that a home is able to get away with that? What allows them to do that? Because there is a complete absence of guidelines in this regard?

Ms Helmstadter: Yes, I think that's right.

Mr Jackson: The regulations currently are silent? They just simply say a certain amount of care by time, but it doesn't clearly define—

Ms Helmstadter: A number of hours of care is what's defined.

Mr Nousiainen: It says "nursing care." Nursing care could be lots of other kinds of care, not necessarily by a registered nurse, so it's quite open.

Mr Jackson: Mr Chairman, have we heard from the minister on this question, how specific the regulations may be in this regard? Because I was not here the day of—

Mr O'Connor: No.

Mr Jackson: So she hasn't responded to that question. Could I ask you then, have you currently been invited to participate with the ministry directly in assisting it with writing of those regulations?

Ms Helmstadter: No.

Mr Jackson: So you've not been invited by the government to participate. Can the parliamentary assistant tell us when he expects to have those regulations maybe?

Mr O'Connor: That won't likely follow for some time, because the staff that we've got assisting us in going through this process will of course be the staff involved at the other end of the process with the regulations.

Mr Jackson: So we have absolutely no idea when these regs might be available?

Mr O'Connor: It won't be until after the bill—

Mr Jackson: I don't mean specific to February 8. I mean this year, next year, before 2001?

Mr O'Connor: This year some time, I would hope.

Mr Jackson: Is there a process in place, Mr Chairman? The PA's very helpful in this regard.

Mr Wiseman: You have to wait for the bill to be passed.

Mr Jackson: Has the minister advised the PA whether there is a process in place—

Interjections.

The Chair: Mr Jackson has the floor.

Mr Jackson: Has the minister advised the PA if there is a process in place which will involve this organization in the development of those regulations? That's generally the norm, because if the regulations flow from these public hearings, they certainly won't be the regulations that the government is about to draft.

Mr O'Connor: I'm sure Mr Jackson realizes that in the course of creating regulations, for any areas of concern

that have been brought up that could be reflected within the regulations by any group, including ONA, then of course the ministry would then go to them as well for some comment.

Mr Jackson: Some comment, but after the fact. Okay.

Mr O'Connor: I appreciate his concern.

Mr Jackson: I just wondered if there was a process set up. That's all I'm really asking. I've sat on enough health care bills to know that with regulations, more often than not, the principal players, the OMA or whomever, are invited to participate and assist in the drafting only from the point of view that in the interests of time—and certainly we're told that we really want to get on with long-term care, not draft it and then send that out for public consultation. That's all I was getting at. I just wanted to know if you could formally state that you had a process in place that did that.

The Chair: Excuse me. Just on the specific question of the regulations, Ms Sullivan had a supplementary, and then I'll recognize Mr Wiseman after Mr O'Connor has his final one.

Mr Wiseman: Just a quick comment. One of the difficulties, it would seem, is that to try and write the regulations when the bill is still out in committee and you don't really know the final text of the bill would be very difficult, so the regulations will come at a later point.

Mr Jackson: I don't think quality assurance will be eliminated from the bill. That's what we're building the regulations around.

Mr Wiseman: But how do—

The Chair: Order, please. The point is noted. Ms Sullivan.

Mrs Sullivan: I think this question about the unregulated workers, the paraprofessionals and so on, speaks to two issues. One of them is partly in the scope of practice in the regs under the RHPA. I don't know if this bill is the right place for those issues, but it's a very interesting matter you've brought forward.

I think Mr Jackson's question relates to the consultative process with respect to the development of the regulations under this act. I think what we would like to see is a response from the ministers, particularly the Minister of Health, who has carriage of the bill, as to what the consultative process will be in the development of the regulations.

We feel, and I think most of the intervenors have felt, that we are at more of a loss because so much of this bill is included in the regulations and we are unable to see the full intent of the government. What we are hearing is kind of ad hominem statements of policy, if you like, with respect to the intent, and the general reading of the bill, we are told, is not what the intent is.

I think it would be useful for us to have a clear direction from the minister on how she will proceed in terms of the development of the regulations.

The Chair: Mr O'Connor, one last comment, then I'm going to speak to our witnesses.

Mr O'Connor: I will take what my colleagues have said here under advisement. As far as coming up with a definite plan, deadlines and what not, I'm sure that's not possible because it would be too difficult to arrange, but as for some sort of a sketch to perhaps allow some discussion as we get further into clause-by-clause, I'm sure that would be possible.

The Chair: Would you like to add anything to this, whether you're clearer?

Ms Bell: Yes, I'd like to just finally say that one of the reasons we expanded our submission to include areas a little outside the technical aspects of the bill was to get our points across as it related to what may be required in regulation. We would be very happy to be involved in the regulation formatting process and that whole thing, but one of the reasons this bill is a little wider than the scope of Bill 101 is in fact to capture those issues that are currently occurring in the system. Our fear is that they're going to get even worse before the long-term care reform is finalized.

The Chair: Thank you again for coming. I see we are sending you away with more weight in terms of documents.

Ms Bell: And we appreciate getting them.

The Chair: We thank you very much for a lot of very specific points, and the committee will be addressing those.

FEDERATION OF PROVINCIAL NON-PROFIT ORGANIZATIONS WORKING WITH SENIORS IN ONTARIO

The Chair: Could I next call upon the representatives from the Federation of Provincial Non-Profit Organizations Working with Seniors in Ontario. Would you be good enough to come forward. Welcome to the committee; please make yourselves comfortable. Would you first of all identify yourselves for Hansard and then please go ahead.

Mr Bob Morton: My name is Bob Morton. I'm the president of the Federation of Provincial Non-Profit Organizations Working with Seniors in Ontario. It's probably the longest name of any organization. With me is an executive member of the federation, Dr Gordon Romans, a member representing the Senior Talent Bank Association of Ontario.

We'd like to begin by giving a few comments about what the federation is and then just share with you our thoughts with respect to a couple of general philosophical areas or issues that are raised by Bill 101.

The Chair: If I might just note, I see some members searching for text. There isn't a text.

Mr Morton: As a voluntary organization, we are not blessed with staff resources. The members of the board represent various provincial organizations. We will, however, subsequent to our presentation today, prepare a summary of our remarks and distribute that to the members of the committee.

The Chair: That's fine. We welcome you and we are glad you have come today.

1540

Mr Morton: The organization has three kinds of members, all being provincial organizations: consumers, providers and advocates for services for seniors. The consumer

members are a very important component and include organizations like the Canadian Pensioners Concerned, Ontario division; the Senior Talent Bank Association of Ontario, which Gordon represents; the Older Adults Centres' Association of Ontario, which is also a service provider in that a number of home support services are provided by OACAO members. Concerned Friends of Ontario Citizens in Care Facilities is a very active member of the federation.

The provider members as well represent a diverse range of service providers. Some provide services exclusively to seniors, others have as part of their broader mandate seniors as consumers of their services. The provider members include ALOHA, the Association of Local Official Health Agencies; the Canadian Hearing Society, Ontario division; the Canadian Red Cross Society, Ontario division; the Ontario Association of Non-Profit Homes and Services for Seniors whom you heard from this morning; the Ontario Community Support Association, an organization that has brought together three provincial organizations, Meals on Wheels of Ontario, the Ontario Home Support Association and the Ontario Association of Visiting Homemakers—those are three sets of initials that you can forget now because of the new provincial organization—the Victorian Order of Nurses and the Association of Community Information Centres in Ontario.

The federation was formed not to lobby government with respect to issues, though it certainly has become part of its activities over the past few years, but the member organizations came together to share ideas, to look at the opportunity to share services, to build upon each other's strengths.

We were able to respond to the former government's strategies for change with a major document called Managing the Transition, and you, as members of the Legislature, would have received our most recent publication, An Emerging Public Policy, our response to the redirection paper that the present government proposed.

What we would like to do today with that introduction—and I should add to the introduction two other representative member organizations that are represented today by people sitting in the gallery: from OANHSS is Mary Jane Large and from the Ontario Community Support Association is Val Barkey. They're here to lend some support to Gordon and myself.

There are three issues we want to cover, two of them to a degree of depth and one of them briefly. I'll ask Gordon to speak about the first area of concern that we have with respect to Bill 101.

Dr Gordon Romans: From the perspective of the consumer, the proposal gives a minimum of consumer choice. It does not offer the consumer choice of facility re ethnic culture or religion but only nursing and personal care. The system of appeal is confusing and bureaucratic and needs to be easy and simple and consumer-focused. Admission criteria do not recognize psychosocial needs but only those needs concerning nursing and personal care.

We have great concern for the people who may fall in the cracks, who don't really fit in any system. There will be such people. You're going to deal with seniors who are frightened of bureaucracy and they will tend not to want to get involved. Quite often, these are the people who really need help. Also, we would like to know how the needs are met with people who don't score high enough for facility admission. Will there be any clear indication of these things? What happens to the person who does not want to go where he is sent? This is certainly not addressed in the bill.

Community-based services are currently severely restricted by funding restrictions and the availability of trained staff and volunteers. The bill will limit accessibility to care without growth in the community support service and makes no allowance for volunteer involvement in the system, for example, money for volunteer training.

The bill prescribes relationships between provider and consumer that do not seem to result in the integrated system that is required of proper long-term care.

In closing, I'd like to draw to your attention the submission of the federation concerning volunteers. With your permission, I'll read it to you:

"The federation of non-profits envisions in any successful community model a significant role for volunteers. There is no reference in the paper to volunteer groups, associations or individuals, who play such a large part in care and support services, nor is there any reference to those seniors who are not only looking after themselves but who are now active care givers. This dismissive attitude is not conducive to a positive, cooperative partnership.

"The federation of non-profits cautions the ministers not to professionalize the system so completely that there is no need nor place for volunteer involvement."

Mr Morton: The issue I would like to speak to is one that is introduced by the name of the federation of non-profit organizations. Government policy for a number of years has said that preference in the health and social service sector would be given to non-profit organizations. This policy is not new. The Progressive Conservatives made that a statement of policy some years ago. The Liberal government followed up with similar statements about growth and expansion, ensuring that there would be a preference for non-profit service providers. Then in the current government's policy statements, the preference for non-profits is stated again.

I guess we're disappointed as a federation to look at Bill 101 and not find any way in which this policy direction is supported. We believe there are lots of good reasons to initiate a system that is fully supportive of the not-for-profit service system.

When we look at the fundamental difference between non-profit organizations and for-profit organizations, looking at their missions, if I'm a for-profit provider, my initial mission is to generate revenue, a profit, a return on my investment. If I'm a non-profit provider, the reason I'm in the business is because I recognize the community need and I want to find ways through my organization to meet those needs.

Certainly there's lots of evidence by the organizations represented by the federation that this has been what they've been doing. The members of OANHSS, back in

the homes for the aged days, back in the homes for refuge, were in the business of providing social services. The Red Cross and the VON are humanitarian organizations that were structured not because government funding was available to enable them to provide a service but because they saw the need for service in a community and did what they could to rally resources to meet those needs.

Our organizations recognize that there are real challenges to provide service to the diverse aspects of the province. Our rural areas tend to be underserviced, but where there are services, they're by not-for-profit organizations, not by the proprietary sector. That's because there are additional costs. So the mission of wanting to serve becomes the reason for being in business in those areas.

In reading Bill 101, we're disappointed to see no reference to the role of boards of directors of not-for-profit facilities. I think the important role of boards of directors is to underscore how organizations can be accountable to the communities they serve. Boards, as we see them evolving over time, are continuing to look at new ways of engaging their consumers, of understanding the needs of their communities and responding to them.

I guess when we look at the accountability measures that are proposed, we look at another major sector of our not-for-profit service system, the public hospital system. Public hospitals are essentially the same as a non-profit, long-term care facility. They're providing health services. They're meeting the needs of vulnerable individuals. They are accountable to their communities through boards of directors. They're not inspected in the way that is being proposed for the non-profit, long-term care facilities under the legislation.

Quality of care really is the focus of a non-profit organization. Over time, non-profit organizations have been the leaders in developing the standards that we're now asking government to enshrine in legislation and regulation, and I think we firmly support that. We look into the community sector, for example, and know that the initial standards for the delivery of home support services were developed largely by the current non-profit providers of services, along with the support of government in that endeavour. So quality is ensured through a non-profit service sector.

1550

Then we come to the issue of financial responsiveness and financial resources. I think as we look at how our non-profit service agencies are working now, we know they only survive as a result of a commitment by their communities to what they're doing. It's not just government funds that make home support agencies work; it's other sources of revenue that they develop. Those are real challenges.

As we look at how our system has evolved, we must not lose our ability to have our agencies connect to the communities they serve, because it's in that connection that they gain great support and through that connection that they also are able to demonstrate accountability.

As members of the Legislature, accountability is certainly most important to you. You are responsible for the funds you raise and you're responsible to the public to ensure that they are delivered. That responsibility is really little different than the responsibility that municipal board members of municipal homes for the aged hold or the charitable organizations that operate charitable homes for the aged or the board members of the community service organizations as well.

As you are giving consideration to this bill, I urge you to recognize that there is little within Bill 101 that supports a current social service system that has a strong connection to the community. I would not want to imply that the system is perfect. The system does need changes and those changes have been advocated by those providers of service for a long time. We look forward to the changing system.

Just a few final comments on a third issue we see. We raise this as perhaps a caution for you. There is a proposal within Bill 101 that direct funding be provided to the disabled, involving amendments to part IV of the Ministry of Community and Social Services Act. I guess we're concerned that the way in which that is worded appears to discriminate against senior consumers who may be able to manage their care, who may have the cognitive resources to do that. The way in which the legislation appears to us, that is limited to younger people who are physically disabled. Just because you've turned 65 doesn't mean your disability may have gone away. In fact age brings many challenges in many disabilities that individuals need to cope with.

That's the conclusion of our brief remarks. We're not here to speak in strong opposition to Bill 101. We're here to give you our thoughts with respect to the bill and perhaps to state very firmly that redirection of long-term care should proceed. The field, the consumers, the individuals who are involved in the system really need the improvements that have been promised, so we look forward to that.

The final comment we're making is that we do see some lack of congruency between Bill 101 as it's proposed and the policy statement that was made through the redirection document.

The Chair: Thank you very much for your presentation. We have some questions and we'll begin with Mr Wilson.

Mr Jim Wilson: Thank you for your presentation. I think when you use the term "not-for-profit" or the "non-profit sector," what you're talking about in the cases of homes for the aged or charitable homes, I'd agree with you that that is a sector that's been proven to have the confidence of the public and that yes, successive governments—it doesn't seem to matter which party's in power—have moved in that direction.

I guess to clear the record, though, when you hear my party in 1992 and 1993 complaining about the not-for-profit sector, it's in some of the new, emerging not-for-profit programs like day care where we find the new executive directors of non-profit day care are making far more money as "bureaucrats" than the previous owner of the day care, who might not have ever made more than $18,000 or $20,000 a year as profit. So that's where we have a bit of a problem.

I want to ask you, along that line, do you not feel that there should continue to be a mix in the nursing homes and homes for the aged sector between the private sector and the not-for-profit sector? For instance, what comes to mind immediately is the tremendous capital that the private sector has invested in nursing homes. We could never afford to buy them out, it would be my guess. Perhaps in a Utopian society we could, but I think there is a strong role for the private sector and I would suggest that we need its involvement.

Mr Morton: I would like to sort of make my response to that by cautioning that I don't want to speak just on behalf of homes for the aged. You've had a presentation from OANHSS, which is representing the homes for the aged, and we've tried to be more global in our approach. I guess I could say that a mix of for-profit and non-profit providers within the system is important or is probably reasonable. But when we look at the service system, the long-term care system in particular, and we see that over the past 10 and 15 years the only growth in that system has occurred in the for-profit sector, we see that balance has changed.

Mr Jim Wilson: Yes. In spite of government policy.

Mr Morton: There are more beds in the for-profit nursing homes than there are in the non-profit homes for the aged, charitable and municipal and the few not-for-profit nursing homes. The balance is off, and at the very least we need to ensure that the balance is appropriate. I recognize the issue of major shifts within the system. We believe that the principle of non-profit service delivery is really most important.

Mr Jackson: First of all, Bob, good to see you. Just on that point, though, part of the reason for the non-growth in one area and the perceived growth in the other is because the government does control expansion plans for homes for the aged. There is a whole series of facilities in Ontario badly needing redevelopment moneys that have been told, "You reduce the number of beds and we'll give you redevelopment money," from chronic care hospitals, which were discussed yesterday, to homes for the aged.

Halton Centennial Manor in Milton, in order to get $4 million out of the provincial government, had to drop 125 beds. You just can't keep doing that everywhere in the province and meanwhile the private sector is relinquishing its licences, so the imbalance will continue. Unfortunately, the trend of the downsizing or rightsizing, as some people are referring to it, of the chronic care sector will continue.

Anyway, I just wish to state that Mr Morton and I went to school together and I currently work with his father. This is sort of an intergenerational thing. His father manages a seniors' residence through his work with Rotary, and they've recently done some wonderful leading-edge work in Halton region. Certainly the benefits of the son and the benefits of the father are appreciated in our neck of the woods, even though I know Bob's facilities are down in the peninsula.

Mr Morton: No, in Huronia, Penetanguishene.

Mr Jackson: Sorry. Huronia, the Penetanguishene area.

The Chair: We're always delighted to get these links. We'll move on to Mr White.

1600

Mr White: I want to thank you both, Mr Morton and Dr Romans, for your presentation. Just before you presented, we heard from nurses who represent people in facilities such as the ones that you represent. We've heard from workers and unions which represent people in both profit and non-profit facilities. They came down pretty clearly on one side of the picture, and they had some real strong concerns about accountability which I believe are addressed in the legislation.

Your centres, though, the ones that you speak of, don't have that need for accountability because you're already accountable; you're accountable through boards of directors, through community input, through residents' councils and through incredible numbers of volunteers who are actively involved in the centres. So there's been a bit of a conflict between some people who are saying, "Why should we be accountable when we already are?" and others who have not had that level of accountability in the past. I'm wondering if you had any comments on that issue.

Mr Morton: I don't think any service provider would ever be able to state that they should not be accountable. There are different ways in which accountability can be demonstrated, and I think we need to find the right accountability mechanism for each different organization. You can't, in my view, develop a single accountability mechanism and apply it against all different types of service providers.

One of the best ways, though, for government to ensure accountability, the most effective and efficient way, is to build upon those existing accountability structures. So if an organization is able to demonstrate its accountability to its community, then government should be able to recognize that and not start from square one with that organization to try and find a way of proving that it's accountable.

Mr White: Indeed, very sensible. The other issue I want to pick up on is the fact that people from many facilities such as the ones you represent—and of course you also have many advocates, concerned pensioners, concerned friends etc—talked about not just the medical needs, not just the pharmaceutical needs or whatever of residents, but of a wide variety of needs, psychosocial issues, religious and cultural issues, which I haven't heard from other presenters. I'm just very struck with it. It was from the non-profit sector that the recognition of psychosocial needs came forth. I'm wondering if you had any comment about that and how you'd like to see those issues recognized in legislation.

Mr Morton: I don't propose that I could write legislation; that's a difficult task at the best of times. But I think if we look at legislation that allows organizations that are responsible to their communities and responsive to their communities to grow and flourish, and those tend to be non-profit organizations with cultural roots, ethnic roots, religious roots, then they'll be able to grow and respond if the legislation enables them to do that. So we have the

particular concern about the placement piece of legislation that may not take into account what the individual consumer wants, and if we don't look carefully at that, then we're going to perpetuate what's essentially been a provider-driven system: Providers make the decisions for consumers, providers slot consumers into boxes and then the consumer is stuck there.

We need to have a major shift in our providers so that they start to work with consumers and recognize how important it is for consumer input and consumer activity with respect to that decision. The legislation as it's proposed really doesn't do that. It perpetuates really a medically driven type of system: You go to a professional who will assess you. I really don't wish to speak against professionals—their role is very difficult at these times—but it will require among professionals a shift in their focus as they start to work with their clients, the residents of a facility or the patient of a physician, to ensure that the individual's needs are met, not the systems' needs.

Mr Hope: Mine's very short. I didn't catch the whole presentation—I apologize for that—but your last comment, dealing with the Ministry of Community and Social Services Act being changed: You said something about the disability not going away at age 65, and I just wonder, for my own clarification, what you meant by that.

Mr Morton: The point that we were making is, the legislation proposes to be able to fund disabled persons directly to manage their care, and that is a discriminatory clause in that it implies that direct funding is only available to people who are disabled, not to all individuals who may wish to avail themselves of a direct-funding model of achieving services.

Mr Hope: Okay, I just thought you meant that at age 65 they got cut off, and that's why I wanted some clarification.

Mr Morton: The way the legislation appears, it would imply that that would happen.

Mrs Joan M. Fawcett (Northumberland): Thank you for coming and presenting your concerns, concerns that I think we all have. One area, and you briefly mentioned it, is rural care. I think we would like to assume that everyone is going to be covered under this, but I wonder too whether or not this bill really directs itself to rural people. Their service delivery could be slightly different. It could be harder to obtain psychogeriatric services, for instance, and just any other kinds of services that they could maybe have access to in their homes to keep them in their homes, as well as then the issue around the placement coordinators and their choice, because we know that rural people like to remain in the rural community and we feel that's very important. So I wondered if you had any comments around that, again whether or not this is going to be all in the regulations rather than what we see or do not see in the bill.

Mr Morton: The federation certainly recognizes that Bill 101 is not comprehensive long-term care reform legislation; it looks after some pieces of it. We're most anxious to receive the government's policy statement that was anticipated late January or early February, dates that we're wondering about these days. Long-term care reform cannot be instituted incrementally. It's a large system with many interrelated parts to it, and if we just do a little bit at a time we'll never achieve the integrated system that was envisaged by Strategies for Change or by Redirection of Long-Term Care and Support Services in Ontario.

So in response to your question, Bill 101 doesn't do anything for rural people, and there are different delivery systems that are required in order to meet their needs; not necessarily more expensive, just different, something that's appropriate for different parts of the province. I'm not sure that Bill 101 supports that in any way in particular.

Mrs Fawcett: Or that we will see anything forthcoming.

Mr Morton: I remain hopeful that we will.

Mrs Fawcett: I know people in the farm community in their book Rural Roots certainly made some recommendations that they wanted to see, because they realize that possibly they've been omitted or overlooked, and we certainly hope that's not true.

The Chair: I have a short question from Ms Sullivan, and I inadvertently omitted Ms Carter so we'll go back and pick her up when you finish. It might be a long question.

Mrs Sullivan: My question isn't particularly to this presentation. It's to request additional information.

The Chair: Okay, we can go to Ms Carter, and I'll come back then, Ms Sullivan.

Ms Carter: Only two points at this time. First of all, you said that there's no allowance for volunteers' involvement in the legislation. I was just wondering what you might suggest could be in there that would solve that problem.

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Dr Romans: I think the bill eventually has to realize that in order to develop home care and other aspects, there's going to have to be a large number of reasonably well-trained volunteers. There's no provision in the bill to show that the necessary things for developing trained volunteers are in it. Certainly, as an example, in home care—I think the bill implies this—people will be able to get a weekend off, so you're going to need a large number of reasonably well-trained people to go in and look after a stranger for a week. I think you all realize it's getting more difficult to get volunteers. There isn't a hospital in Ontario that doesn't have a waiting list for volunteers. Certainly, none of the volunteer organizations have enough. I think that whole framework has to be expanded to be consistent with the demands that are going to be put on it.

Ms Carter: I certainly agree with you about the need for volunteers and how vital they are. I'm just not quite sure how you can legislate for that, though.

Mr Morton: I think you can establish funding legislation that recognizes that a key piece of this is that the organization needs to be able to support volunteer services.

Ms Carter: Pay costs and have somebody to organize them.

Mr Morton: Yes. You need a structure, a bureaucracy, if you will, in order to have an appropriate volunteer service, to recruit, to train, to recognize and reward the work that volunteers do.

Dr Romans: I think a quick statement to that is that it's well known that volunteers are cheap but they're not for nothing. In order to train volunteers and enlarge the volunteer organizations in the province—this is particularly true in the rural areas. There's going to be a higher proportion of help coming from those people in the rural areas than perhaps in the built-up areas.

The Chair: Thank you very much. We appreciate your coming before the committee today. I believe you mentioned there will be a text following and we look forward to that as well.

Mr Morton: Thank you, Mr Chairman. We look forward to responding to you, and thank you for the opportunity.

The Chair: I'm going to call the next witnesses from Chester Village to come forward. As they do come forward, Ms Sullivan, you had a request to make and we can deal with that.

Mrs Sullivan: Yes, I do. Mr Chairman, I think through about three or four presentations, witnesses have referred in their briefs to the sanctions that the government can impose if the service agreements are breached. We have not asked questions of them just because of the time element. I wondered if we could have a further briefing note from the ministry as to the effect of the sanctions that are funding-based.

The bill provides that subsidies can be reduced or withheld completely if the service agreements are breached. I think the concerns that have been raised are: What happens to the care of other people who are in the home if the funding is withheld or if the funding is simply taken away; what becomes the liability of the home for the provision of the contractual service and the liability with respect to the resident, and what then becomes the liability responsibility of the ministry which has taken the action that may put people at risk in the longer run?

We have not asked any questions on it. It was in the Metro brief, it was in a couple of briefs yesterday, and I think we should have some more information on that.

The Chair: Could I pass that on?

Mr Hope: On that area, it sounds like it's being presumed that this is going to happen, that it'll be automatic. It's a first reaction. I believe in order to get a proper picture, we need the process of what would be the stages before that even happens. I think in order to make the picture full, we need the full synopsis of what might happen to that.

The Chair: I think that would be fine because I think it is what is envisaged—am I right?—in terms of how that would work. Could we pass that through the parliamentary assistant, and perhaps you would raise that with ministry officials?

Mr O'Connor: Mr Chair, as the question was brought up, I noted that our people from the ministry were writing that down furiously to make sure they caught the intent behind it and so noted the friendly amendment, the suggestion by Mr Hope.

The Chair: We furiously accept.

CHESTER VILLAGE

The Chair: Gentlemen, thank you for coming to the committee. We welcome you this afternoon. Would you be good enough to introduce yourselves for Hansard and then please go ahead with your presentation.

Mr Allan Day: I'm Allan Day, vice-chairman, Broadview Foundation.

Mr Paul Klamer: My name is Paul Klamer. I'm the administrator of Chester Village.

Mr Day: This is our submission to the standing committee on social development regarding Bill 101, the long-term care reform bill. I might start, by way of introduction, by saying that the Broadview Foundation owns and operates a 174-bed charitable home for the aged called Chester Village, which is operated by a 12-person voluntary board. Chester Village provides living accommodation for persons 60 years of age and older in accordance with the Charitable Institutions Act for the province of Ontario.

The Chair: Sorry to interrupt, but could I just ask you again, for Hansard and those people who will be reading it, where Chester Village is located.

Mr Day: At 717 Broadview Avenue, at Broadview and Danforth in the city of Toronto.

Chester Village shares many of the government's own goals with respect to the future of seniors' care and would like to see Ontario's system of long-term care improved. At the same time, Chester Village would like to see many of the strengths of the current system of long-term care preserved within the new system.

Chester Village appreciates that a responsive and effective long-term care and support system is one that will be flexible to the changing needs of seniors. Our board believes that it has demonstrated its commitment to this principle over the past years by providing a continuum of care to our residents.

It is the philosophy of Chester Village that individuals must have access to the service which will allow them to remain in their own homes for as long as possible. However, policy trends must also recognize that a proportion of the population will always require medical, social and psychological services within the facility sector.

Chester Village and the long-term care reform bill: As a member of the non-profit sector, Chester Village shares the government's commitment to the four principles outlined in the government's discussion paper, Redirection of Long-Term Care and Support Services In Ontario, namely, the privacy of the individual and the right to dignity, security and self-determination; promotion of racial equity and respect for cultural diversity; importance of family and community; and equitable access to the appropriate services. In our view, however, Bill 101 does not reflect these principles. The following section is a brief assessment of Bill 101 as it relates to the preceding principles.

As far as the privacy of the individual and the right to dignity, security and self-determination are concerned,

while we agree that seniors do not wish to sacrifice their individuality or dignity, we also affirm their right to participate in determining what services they require and how they are provided. We accept this premise as outlined in the discussion paper. We feel, however, that the need for consumer choice is not fully recognized in Bill 101. Currently, seniors face no restrictions in choosing the care services which best suit their needs and resources. Our concern is that the service coordinator's function of the bill may restrict the choice available to them.

Seniors must be able to choose the type and provider of care. The service coordinator functions must provide seniors with as much information as possible on the full range of long-term care organizations, and enable seniors to choose options based on their individual needs, preferences and financial resources. It should be recognized that seniors, perhaps for personal reasons, may request a certain service or organization—they may, for example, have been a volunteer or a supporter of Meals on Wheels or a home for the aged in the past—and these preferences must be respected as much as possible.

It should also be recognized that seniors, having weighed the options, may decide to live in a non-profit facility. They may appreciate that our sector considers the needs of the whole person, including the psychological, social, emotional and spiritual needs, as well as medical and nursing needs. They may recognize that our sector offers a sense of security and safety, which is very important to all of us, and they may note that a non-profit facility offers a continuum of care, which means simply that the changing needs of the seniors can be met in the same homemaking setting, thus minimizing the amount of disruption and change in their lives.

The eligibility criteria for seniors seeking admission to a long-term care facility clearly limit the person's right to choice. For example, many applications to our facility are from married couples or siblings who have lived together for a number of years. Most often in such cases only one of the applicants would meet the eligibility criteria for admission. The well spouse or sibling, who has acted as the primary care giver at home, often chooses to make a joint application for admission to optimize the couple's quality of life. The new eligibility criteria as set out will now preclude such admissions, negatively impacting the quality of life for some seniors.

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The promotion of racial equity and respect for cultural diversity: Chester Village supports the goals of long-term care reform, as stated in the discussion paper, to provide services that take into account people's different values, religions, languages and customs. We feel that our sector, representing municipal and charitable organizations, has met these needs on an ongoing basis. It is our experience that seniors and their families are most comfortable accessing services through familiar organizations, including cultural and religious groups. This is because these organizations have a unique understanding of the cultural needs of their members, including their senior members, which allow them to provide appropriate and sensitive service.

Our concern with Bill 101 is that it may unintentionally restrict or thwart the current freedom enjoyed by these multicultural, linguistic or religious organizations. The bill as written does not provide explicit guarantees and implicitly does not recognize the important contribution of these groups in the delivery of care to seniors. These groups must be included in the service coordination function and in all aspects of planning and management, and we seek an explicit amendment to remedy this situation.

The importance of family and community: We could not agree more that it is important for people to maintain relationships with family and friends within the broader community. We also agree with the discussion paper's goal to involve community in the new system of long-term care.

As an organization committed to helping seniors, we agree that individuals should be given as many options as possible to allow them to stay in their own homes as long as possible, with adequate services where necessary, and provide facility care where appropriate. We want to stress the importance of the whole range of services available to seniors.

The non-profit sector has historically provided support to families and care givers. We feel that the long-term care reform should recognize the contribution of families through their resources and care, by providing support services including counselling and support groups as well as basic training.

Chester Village is completely comfortable with community involvement and accountability in the delivery of service to seniors. Our organization has a tradition of community involvement and openness in the delivery of services to seniors. Non-profit organizations were founded by their respective communities and remain responsible and responsive to the needs of the community through direct community representation on their boards of directors.

We welcome the accountability provisions in the act but we do have some concerns about the inspection provisions. As we said, accountability and responsiveness are part of our history, and we would like to see some recognition of the unique partnership that has evolved through our history and has served our members very well. At the same time, we recognize the need for accountability to the province and taxpayers and do not see these goals as incompatible or mutually exclusive.

To this end, we propose that the ministry establish clear rules and controls for inspection activities, including an appeal process for these monitoring and sanction decisions. We suggest that inspections be motivated by a focus on the needs of seniors and that a full report be filed within a specific time period, like 30 days. We feel strongly that inspections should be limited to those activities and services funded by the province.

Equitable access to appropriate services: Finally, we concur with the government's fourth principle, that there should be equitable access to service for seniors throughout the province. Chester Village fully supports the principle of equitable and simplified access to long-term care services through the establishment of the services coordination function. This coordination function must be responsive

to the existing structure and models that are already working effectively. The new function must build on the strengths of the current model and, if possible, result in a less complicated and more timely system. It must take into account the diversity of the communities through Ontario, including the geographic, linguistic and ethnocultural differences as well as the unique resources available.

At the same time, standards must be in place to ensure consistent and equitable distribution of resources. These standards would govern the assessments, user fees, placement decisions and service delivery thresholds for community-based and facility-based care. These standards must ensure that assessments are conducted fairly and impartially and that referrals respect the needs, preferences and financial resources of the individuals.

Chester Village is concerned that the anticipated growth in the seniors' population in the next 30 years will require a network of supportive housing and comprehensive guidelines for the future needs of seniors. We strongly support the principle of universal access to a range of services, regardless of where seniors live in Ontario. We also urge the government to define a range of services to be provided in all communities.

We are deeply concerned about the funding arrangements in Bill 101. In recent years, the financial contribution by the provincial government for long-term care facilities and beds has not kept pace with the increasing demand for care. The system of funding facilities based on classifications made approximately 10 to 12 months earlier only heightens our concerns. Having said this, our more immediate concern is with the probable delay in the actual implementation of the new system. Such a delay in funding may cause organizations undue financial hardship in the first half of the next fiscal year.

Specifically, the current funding model provides organizations with a cash advance in subsidy payments. This allows organizations to meet the day-to-day operational costs incurred by the facility, pending approval of annual budgets and allocation of funding. We understand that the implementation of the system may be made several months into the next fiscal year, with funding being given retroactively to April 1, 1993. Although such a commitment is commendable, the operational shortfall in cash must be addressed.

Another area creating concern is the availability of capital funding for upgrading physical plant. We understand that under the new system, a facility will have virtually no right to refuse an applicant. The admission for seniors requiring special needs or types of care, like cognitively impaired seniors requiring a locked unit or seniors with psychogeriatric problems, will require funding for upgrading and renovating the physical plant of many facilities. If such funding is not forthcoming and facilities are required to admit seniors with needs that cannot be met, the question has to be, where does the responsibility for liability rest in the event of an accident or incident? We believe that a process for appealing inappropriate admissions is required in cases deemed to pose risks that may jeopardize the health and safety of other residents and staff.

Although the province is imposing provincial standards on homes and services for seniors, it has not committed itself to adequate funding arrangements, which are necessary for a high standard of care. We fear that this signals a future decline in provincial support for long-term care. An amendment is required to directly link quality assurance plans with provincial funding commitments.

In addition, Chester Village believes that fixed accommodation and program costs should reflect the levels of care required by seniors. At present, only nursing and personal care costs are based on the levels of care required. Special nutritional, accommodation and programming costs can vary greatly, depending on the care needs of seniors, and funding should reflect that reality.

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Chester Village believes that user fees for community support services, as well as for accommodation and facilities, should be based on ability to pay. In fairness, we feel that the discrepancy between a no-user-fee policy for in-home care and a user fee policy for facility-based care must be resolved. There should be congruency between fees for chargeable services for seniors in facilities and for seniors receiving in-home service. Clearly, the promotion of no user fees for service in the community contradicts the government's fourth principle, equitable access to services for seniors in the province.

Chester Village also fears that the government's emphasis on in-home services will eventually lead to an increased number of heavy-care seniors turning to facility-based care. Unfortunately, the proposed funding arrangement in Bill 101 will not provide adequate funding for this eventuality. The funding formula for facilities must recognize and support this reality.

Chester Village believes that seniors and their needs must be the focus of the new long-term care system. As well, the restructured system must fully reflect the four principles included in the government's discussion paper on long-term care reform. We feel that certain constructive amendments are necessary to improve this bill, and we urge the committee members to seriously consider our suggestions.

In particular, we feel that the system should build on the strengths of the current system. It should be more responsive to the unique cultural, religious and linguistic care needs of people. Seniors must be given as much autonomy as possible to remain in their homes for as long as possible, and where facility-based care is needed, the system should be administered in the least bureaucratic manner possible. The new system should accommodate the system of community accountability unique to the non-profit sector.

Consumers must continue to have the choice of access to a full range of care options, and services must be relevant to each community's need. With respect to funding, there must be adequate support for all components of the long-term care system, and user fees must be fairly applied.

Chester Village is grateful for the opportunity to participate in the development of Ontario's long-term care system. We offer our expertise, experience and understanding of seniors' needs, and hope that changes to the system will

truly improve the quality of service and the quality of life for Ontario's seniors.

The Chair: Thank you very much for a very full brief. In looking at the kinds of problems and issues that you see, I think it's particularly useful for the committee to have a presentation by a specific home. We appreciate the time and effort that clearly went into this. We'll begin questioning with Mr Hope.

Mr Hope: In going through your presentation, dealing with the sensitivity of the consumer, how do you see that? We support what you're saying; it was in the discussion paper, as you indicated here. How do we put this into some type of legislation that covers this without getting into discrimination clauses and everything else, just putting in something that takes being sensitive to consumers into consideration?

Mr Day: I think that our administrator, Paul Klamer, who's with me today, and the other administrators we have had and the admission teams that the respective administrators have put together over the years have done an excellent job of doing that. To come up with a suggestion, I'd just say, if it isn't broken, why try to fix it? We do allow for those differences in our admissions, and I think that our residents feel very well suited and at home at Chester Village. I don't know if Paul has something to add to that or not.

Mr Klamer: I think the key here is the need of the individual coming into the home. If a person wants to come to Chester Village for whatever reasons, that they like Chester Village, then why not let them into Chester Village, regardless of some individual sitting out there looking at some criteria that perhaps would preclude this person from coming in?

We know the province is establishing a Japanese home for seniors, a Chinese home for seniors. If we allow consumers to have more say in their selection of homes, then I think we would basically eliminate human rights problems to a large extent, because I'm sure this placement coordinator really perhaps does not have the in-depth experience to know what a consumer really wants, and why shouldn't consumers choose the place where they wish to live out the remainder of their lives? I think that answers the question.

Mr Hope: As you know, through these hearings we hear different points of view, and I notice in your presentation you talked about the ability to pay. This afternoon, I believe it was, we had the question of moneys that are available, or assets, and that debate that we should tap into the assets and properties and stuff like that. I would just like to hear what your viewpoint is. I know you've probably discussed it a number of times.

Mr Day: On a senior's ability to pay?

Mr Hope: Yes. I just want your viewpoint, because I know it was a part of it.

Mr Day: My own viewpoint, and I guess this is more as a taxpayer, is that government subsidies to our place will probably double, by our preliminary estimates, and here again it gets back to the current system where people come in, they have the ability to pay, they want to pay. We provide a full continuum of care. We also provide subsidy beds which are subsidized by the residents who do have the ability to pay. So you really have in that regard, I guess, seniors financing seniors. What in essence this is going to do is force the taxpayer to pay, as opposed to the user of the service, which is the political question that you have to wrestle with.

Mr Hope: One of the things that comes up when we talk of rural Ontario, let's say the husband—and that's usually the case—is inside the home and the wife is still living in the community and it's very tough for them to make ends meet, because there's still the home to provide for for the spouse, the wife, to live in, and also because of the ability to pay they say, "You've got a $40,000 or $50,000 or $60,000 home there and you still have moneys available." I'm just wondering, and I know as an administrator you're probably faced with this decision about actually making sure of the ability for the senior to still live in the community and then the senior to live in the institution.

Mr Day: I may defer to Paul on that.

Mr Klamer: I don't think anyone's saying that you go to some elderly person and say, "You sell your house to support your spouse in a facility." I don't think we're saying that at all, but on the other hand, if someone has assets of $500,000 or $600,000 in stocks and bonds sitting somewhere or other, I don't see what's wrong with perhaps having that person cash in $100,000 of the $500,000 and use that to support the spouse in that facility. I don't think we're saying that you go in and hold them up and make them sell their home and eat dog food, but at the same time, there are many people in our facility who want to pay and have the ability to pay, and I see nothing wrong with that philosophy.

Mr Day: And not only are they wanting to and have the ability to pay, but by doing so they are helping fund our subsidy residents and residents who are requiring heavier care. Under the new system, it will all be funded by the taxpayer instead.

I guess our philosophy is that if we have people out there who want the service that we provide and can fully pay for it on their own, as well as paying extra to subsidize the people who are less fortunate who cannot afford it or the people who are heavier care and cannot afford the heavy-care loads, why should they not be permitted access?

Mr Hope: Just one final question that I have. You talk about capital and how the government can help you out, and I notice you're a non-profit. Wouldn't we then get hammered by the private saying, "There you go, bailing out the non-profit again"? We've been hearing that quite often.

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Mr Day: They may say that but I don't really think that's a reality, and I don't know that we're saying, "Just look at us in that regard versus the public sector." No matter where you are, when you make changes like this and you're forcing heavier care residents into the building, we're going to have to undergo extensive structural changes, as are the private sector participants to their facilities.

Different facilities are of a different vintage and a different building code for seniors. What we try to do, which gets back to the problem with the admissions, is that when we control our own admissions we can control a care level that gives us an optimum nursing cost. Getting back to keeping a balanced population, not only in terms of activities around the home, but we can also keep the mix to run on all 12 cylinders the whole way through and keep on a financial even keel. If we're suddenly deluged with heavy-care residents, everything becomes inefficient because our home was originally designed for well seniors and initially did not provide any care at all. When you get into heavy care and have to install nursing systems and you get more of the equipment that goes around the halls and corridors and elevators, it can very quickly become an inefficient, high-cost producer of care for seniors. The problem we get into, if you give us high-cost seniors to administer care for and on the other hand fix our revenues based to a norm, it may not take in the unique characteristics we have had to go through for that.

You're going to find that in the public sector as well. Maybe you'll just say, "It's for profit, so we don't care what happens to them," but they're obviously going to have to undergo costs, depending on the design of their facility, to meet the needs and the balance of the people being sent to them for care.

Mr O'Connor: Just one brief statement and a question. Maybe you can help me out here a little bit. I don't believe that right now you would have to take people even through a system of a placement coordinator if you weren't physically able to within the structure of your home. It's not the intention to force that upon you either. I know that seems to be a concern.

The question I've got—and you've raised the issue and we've heard it from other people making presentations to us this past week—has been the care for couples. Of course, the problem is when, I guess, more in some of the larger homes-for-the-aged settings that have different continuums of care, the space is limited and in dealing with limited spaces within the facilities and trying to deal with the needs of the people we're trying to serve—could you give us a suggestion as to how we could try to fulfil the human need of a couple, to try to keep that couple together, given the limited space that we have? You might be able to make a suggestion that we could somehow transpose into a change.

Mr Day: Paul, if you want to answer that.

Mr Klamer: To answer your first question, a document was shown to us. It was some form of a draft admission criteria document consisting of two sections. The first section: to get into the facility the resident had to meet one of X number of criteria; the second section: they had to meet all of the criteria. When you looked at what the criteria were, they were basically all health-related. There was not one quality-of-life issue addressed within those criteria.

So all we would be able to take in were people who were physically ill. We have in our facility a number of people, perhaps, whose husband or wife has died; they're well but they have decided they don't want to live in their home. They don't want the hydro going out in the middle of the night and then being by themselves. They want the social activity we can offer those individuals, the freedom of having a meal prepared for them, the freedom of knowing there is a nurse in the building, the freedom to go out into the community and live their lives the way they wish. The existing document precludes those people from coming into Chester Village. Not everybody wants to live in their home until they are so sick and near death that they have to be carted out by an ambulance to one of our facilities.

What was the second part of your question?

Mr O'Connor: It segues nicely into what you've been saying. It's recognizing the need for couples, given that we're talking about limited space.

Mr Klamer: In any home, we have semi-private rooms; we have private rooms. We have a number of couples living in our building, husbands and wives, and in a number of instances one or the other may be fairly sick. On our floors, because of the organizational structure, we put our heavier-care residents and staff on lower floors from a safety perspective. The husband may live separately upstairs on a lighter-care floor, but every day the husband and wife eat breakfast together, lunch together, sit in the sunshine, talk together. They haven't been interrupted. But now he has to travel 20 blocks or 20 miles by public transit to visit his wife and he may not be up to that. So I would see that the funding would pay us for that heavier-care person and we would get less money for the husband, but then he requires less care and less staffing and I see nothing wrong with that.

Again, this admission document would break up that ability of husband and wife or brother and sister to come in together, help out and live a life of still being close to one another. I think this whole document perhaps could be considered insensitive to the quality-of-life issues. It's not the quality-of-care issues—it addresses those quite readily—but we're talking of quality-of-life issues.

The Chair: We have a number of people who want to ask questions. I want to be fair and allow everyone in. I have Mr White and Ms Carter briefly and then we'll jump to the other side.

Mr White: I will try to be brief. You've mentioned the quality-of-life and the quality-of-care issues. Frankly, I agree it's a real concern that it's not in the legislation, that the psychosocial needs of our population aren't described. However, what I'd like to ask you about is that under the previous legislation, under the Homes for the Aged and Rest Homes Act or the Charitable Institutions Act, is there any description whatsoever of quality of care or the level of care?

Mr Klamer: No, there isn't.

Mr White: Not at all?

Mr Klamer: If you compare it to say the Nursing Homes Act, no.

Mr White: You've made arrangements with Comsoc and you are funded for the level of care you're providing, with some problems of course. I understand, certainly from the testimony we've heard, that the level of care

that's necessary in the present non-profit homes or nursing homes has really increased incredibly in the last decade. The age of the residents is much, much older on average.

Mr Day: As I mentioned, when we opened 20 years ago, we didn't provide any care at all; maybe one nurse for the whole building. Now there's probably an average of half an hour of care per resident.

Mr Klamer: To put it in perspective, when we first opened, the average age of admission was 63. Today it's 87. The average person coming across our threshold is 87 years old and is not that well. We're finding it very, very difficult to find a well elderly person. Unfortunately, the funding for those individuals has not kept pace with the care those individuals require. I don't think there's one charitable home or one municipal home in this province that can say it's adequately funded. The municipals perhaps are better off than we are because they have a tax base to draw from which we don't.

I would say to you that the funding currently is below the care we're providing. We provide the care, but it's through being very ingenious. Now we're finding that we're going to have to take those quality-of-life issues and reduce those quality-of-life things in order to find the money to put into the nursing department to enhance the levels of care required.

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Mr White: That's basically something that has not been there before and is now described in legislation.

Mr Klamer: That's right.

Ms Carter: I'd just like some clarification on the point you raise on page 11. You say there's a discrepancy between a no-user-fee policy for in-home care and a user-fee policy for facility-based care that must be resolved. Surely, what the resident is going to be paying for is accommodation. So by definition, if they're in their own home, they're paying that anyhow. I'm just wondering what it is the person at home is getting free, as it were, that the person in a facility would not be getting.

Mr Klamer: I would assume that if you're going to start keeping people in their homes longer, that means perhaps someone has to help bathe them, do their shopping, take care of their medical needs. So you would have people like the VON or the St Elizabeth Visiting Nurses. We see coming out of this whole process what we would call a health care aide.

Ms Carter: But then that's free in the facility, isn't it, or it's going to be?

Mr Klamer: We will be funded for that.

Ms Carter: The government's paying either way but through different channels, so I'm not quite sure what your problem is.

Mr Klamer: We think that if we equate cost for cost, the government will be paying more to keep the person in his home than it will to keep him in our facility.

Ms Carter: I would have thought the opposite would be the case. In fact I thought that was definite. They're covering their own accommodation.

Mr Klamer: You asked for an opinion; you got an opinion. I'm not going to debate with you on that.

Mr Day: I think part of it is just simple things like bathing. If you have to have somebody get in their care, drive to one house that's three miles from the other house, it's going to take a lot more time to perform the same task than it is to go from room to room.

The Chair: We'll move on to Mrs Fawcett.

Mrs Fawcett: I was interested in the part of your brief that pertains to the new system of funding. I'm sure ministry officials will not be surprised that I picked up on that. Yesterday, we were told by Mr Quirt that the funding cannot start to flow until the bill is passed. However, this does leave you in a dilemma: How do you budget? How do you get ready? What really is going to happen? When will the money start to flow? How will this suit your particular facility. Do you have any recommendations?

Because things are now being pushed ahead, it looks like possibly the spring before the bill will again come before the House, be passed and things can start to be sorted out there. I would assume you're budgeting on the old model right now, or are you trying to work into the new method? Could you explain just exactly what you're doing and if you have any recommendations? Maybe it needs a bridge or something.

Mr Day: Paul's been working extensively lately, because we're just doing some budgets right now. Maybe he could just bring us up to date.

Mr Klamer: We have a number of budgets. What we've tried to do is to sit and plan the various scenarios that may or may not come out of this whole process. We've come up with a number of them. Unfortunately, we are not diviners so that we know what's going to happen. We call people in the ministry, we call people in facilities, and everybody we talk to seems to have a different idea of what is going to happen and when it's going to happen.

The latest scoop is that we won't be seeing any dollars until maybe September or October. Granted, perhaps we'll get those dollars retroactive to April 1, but perhaps we won't. In the meantime, how are we going to provide the care and pay the dollars out on salaries and food when we don't have those dollars flowing in but we do have the residents flowing in? Once we accept a resident, we take that responsibility for that resident.

Under your admission criteria, we can't refuse residents except for very stringent, specific things, like they need operations. We don't perform surgery at Chester Village, so we wouldn't have to take someone like that. But the central placement will be forcing on us individuals who require such a level of care that we're going to have to increase our staffing patterns immediately to meet that level of care, and we're not going to be funded on this until six, seven, eight or nine months down the line. We don't even know right now what our per diem is going to be.

This case mix index was supposed to be out to us in January. Well, we haven't got that. The residents are all upset because they've heard rumours that their rents are going to drop and the letters are going to be coming out on

that. Well, we haven't got that either. So we're sitting there with a new-age budget and an old-age budget. Both are horrible because we don't know what we're doing. We're in a real predicament. The cost of this is going to be on our residents. They are the ones who are going to suffer in the short term, if in fact this thing happens at all. I would say to you that somehow—you've got the case mix index. It's there. My sensing tells me that you've run the figures through the computer and you have found out it's going to cost you a hundred times more than you thought it was, and you're now having to try to work those case mix indexes down to meet the dollars available. That's just a guess.

Mrs Fawcett: Well, there are others who agree with you.

Mr Klamer: I would suggest to you that if we have a case mix index, then give us the dollars. Give us an advance, like you did under the old system, based on our case mix index, so that at least we have some dollars flowing in until some time in September when this thing settles down. If you've given us too much, take a little bit back. If you haven't given us really as much as we need, then give it to us effective April 1. But don't constrain us now to be admitting heavy-care people and bringing in staff and having to pay for them without having the ability to have the funds flowing to have the money to pay.

We don't have a tax base like the municipal homes where they can go off and get Metro Toronto to pay some tax money in. We don't have an ability to get a deficit. We have no deficit funding. In order for us to have deficit funding under your rules, we would have to lose $250,000 immediately. After that we would perhaps get 50-cent dollars under the existing deficit arrangements, because your deficit funding does not take into consideration mortgage payments and interest payments on the mortgage and those things.

Municipal homes don't have mortgages. Their capital dollars are paid for out of the capital budget of the municipality. That's why they have more money to spend, because they don't have to pay their mortgages out of the money flowing into their units. We do. Therefore, at Chester Village we would have to lose $250,000 before we could even start tapping into deficit funding of 50-cent dollars. It's not fair. You're expecting us to take all these heavy-care people in. We may get our dollars or we may not get our dollars some time down the line. I would suggest that's insensitive and unrealistic. I guess that's my only comment.

Mrs Fawcett: I thank you for that broad-brush painting.

The Chair: Mrs Sullivan and Mr Wilson, and would members just be mindful of the clock.

Mrs Sullivan: Thank you. I was interested because it's the second time, I think, that the issue of capital funding for improvements to the non-profit sector has been raised in the hearings, with your presentation. Would you just advise me, did the last government, before it left office, flow something like $140 million for capital improvements in the homes-for-the-aged sector, or did the government change before that money actually flowed? Do you remember?

Mr Klamer: I can't answer about the $140 million. I do know that a number of years ago we had to do an upgrade of our second floor in order to meet the heavier-care needs and we got some relief from 50-cent dollars, but that $140 million doesn't strike a bell with me and I don't think I could answer that question.

1700

Mrs Sullivan: The Chairman might recall whether the $140 million from—

The Chair: How to be put on the spot.

Mrs Sullivan: I'm sure the Chairman will recall. There was $140 million for upgrading which was to flow, for capital improvements, to homes for the aged. What I'm trying to recall is whether the government changed before that money flowed or in fact that money did flow in 1990.

The Chair: I'm sorry; I don't remember.

Mr O'Connor: Mr Chairman, if I might just help. From quick consultation, the period was between 1987 and 1992 and the figure is about right. It was over that extended period of time and it was 50-50 dollars.

Mrs Sullivan: It was 50-cent dollars, but what I'm saying then is that there is provincial capital money that has gone into the upgrading of the non-profit sector. As I recall, it was because many non-profit homes were exactly as yours are. They began as residential facilities, basically, and then as the population aged and the acuity of residents moving into the homes increased, the need for additional specialized facilities also increased. Plus, as I recall, there was also a recognition that ward accommodation wasn't necessarily the best approach and there was funding for private and semi-private accommodation at that time.

Where do you, as a home for the aged that has a history of beginning as a residential home, see the homes that are now rest and retirement homes that work as your home did in its initial phases and which also are accepting residents that require nursing care, in the long-term spectrum, and should they be in fact included in this kind of an approach where there is a continuum? I'm interested in that.

Mr Day: I think it's appropriate for inclusion in the system, but I think that as facilities become less adaptable to the type of care you expect them to give, you have to allow for more flexibility within the system, whether it means capital dollars that fit that or, in the admission process, the types of people that are admitted to the specific institution. You just have to allow for it, but I think inclusion would be good.

Mrs Sullivan: Rest and retirement homes as one facet of the spectrum?

Mr Day: Yes. But as long as the system is flexible enough to recognize the physical plant and equipment that you're in fact placing people in and their ability to give the care and provide the service.

Mrs Sullivan: From an old briefing note, once again going back to capital, I recall that the capital spending, the cost to build a bed in private sector nursing homes, was about $60—these might be old figures but the comparable ratio would be similar—whereas the cost to build a bed in the home for the aged ranged from $80 to $105. Why?

Mr Day: You're saying the cost to build?

Mrs Sullivan: Yes, to add a new bed. I'm looking at the capital component.

Mr Day: The daily expense, the per diem for keeping a person?

Mrs Sullivan: No, the capital component.

Mr Klamer: The cost to actually construct a building?

Mrs Sullivan: Yes.

Mr Klamer: I really don't know. I could guess. Do you mean to renovate, or to build a brand-new building?

Mrs Sullivan: I think it's to add; yes, to build.

Mr Klamer: I don't have an answer for that one.

Mrs Sullivan: It's interesting; I had it in an old briefing note and couldn't understand why. But as we're looking at equalizing costs, and you've raised the issue of injecting capital into the non-profit sector, I think it's something we should be looking at.

Mr Klamer: The capital I think we're talking about there is not to build a new building. We're a seven-storey building with roughly 30 beds on each floor. To have to staff that with heavy-care residents is not a good mix of beds per floor. What would be better would be to have 60 beds per floor. You can staff it much better.

At our facility, in order to take heavier care in, we're going to have to construct nursing stations on our floors. We don't have the square footage at this time for those nursing stations, so that means we'll most likely have to go and take one or two bedrooms out of our home and make that a nursing station, which reduces the revenues of that facility. This is the type of capital cost we're talking about, to renovate our facility to accommodate the levels of care that are now going to be coming in. What we did on our second floor we'll most likely have to do on the other floors, over a period of time, as heavier and heavier care comes in.

Mrs Sullivan: That would be comparable in any facility, whether it's a home for the aged, charitable or municipal, or a nursing home, because the acuity is increasing, I would assume.

Mr Klamer: If they were built for a lighter acuity rating at inception, that would be correct.

The other thing that you get into with the efficiency of the floor after the capital dollars is that, as Paul said, because we have a long-range planning committee we have figured it out and through our analysis we figure that the optimum heavy-care floor plate should be about 60 beds a floor. We're nowhere near that. We've reviewed it. If this goes through and we are heavy care, can we add on and put 60 beds on the lower two floors or something of that nature to adapt to the new system?

When you get into the capital side it may mean, if you add up the hours of care per floor, that you need three and a half nurses on each floor. You can't get half a nurse so you hire four, and over seven floors, you have 3.5 or four extra staff that if you're efficient you wouldn't have to have, so here again it impacts your overall financial operations.

Mr Jim Wilson: Thank you very much for your excellent brief. On behalf of my caucus, I think we agree with many of the points you've raised, and where you've pointed out that specific amendments may be necessary, I look forward to working with you perhaps to put those forward to the committee, because many of the points you've raised have been raised by other non-profit groups.

I have a couple of questions. One is regarding the eligibility criteria. You correctly point out that, in the draft manual, criteria 6 through 10 are heavily medically based and, secondly, may make it very difficult for seniors who for many other types of reasons may prefer to be admitted to Chester Village.

I know in my own riding at our municipal home for the aged in Beeton, called the Simcoe Manor, when we held a public discussion on the Redirection paper, two ladies who were residents of the home came up to me at the end and said, "Does this mean we have to go back to the farm?" I guess we'd scared them so badly—the ministry that gave the presentation—that they really felt that under the criteria being discussed at that time, they wouldn't even qualify to be in the home they were currently living in. I said, "No, no, no." She said, "Good, because I've peeled enough damned potatoes." It was an eye-opener in that regard, that they were having the time of their lives in Simcoe Manor. My own grandmother, just a couple of months ago, was admitted there and she just absolutely loves the place.

When the minister made her opening remarks to this committee—it was Frances Lankin at the time, of course—I asked her, where we could possibly get agreement that we would try and put some meat on the bones of these sections in the bill that call for a great deal of work to be done through regulations. For instance, eligibility criteria, which in the bill itself simply says "as per the regulations" and you have to go to the draft manual and figure out what that means. Would you prefer, where possible, that we spell out the admissibility criteria? Hence, it's more politicians making the decision than bureaucrats behind closed doors through regulations, and then leave a clause that leaves some flexibility for regulation.

I gather that's a yes? If we can do it in the bill and keep it up front so everyone knows publicly what the admission criteria are going to be, you'd prefer that?

Mr Klamer: As long as you don't exclude that group of people who come in for other than medical reasons.

Mr Jim Wilson: That's what I mean, in an attempt to ensure that they're included, because I feel the way they've been drafted now, it's excluded. In fact, we just got this manual ourselves in the middle of this week.

Mr Klamer: I think the appeal process is key. A licensee, such as our home, should feel free that it has an appeal process if a central placement coordinator says, "You've got to take this person," and it feels, for safety reasons or whatever, that it can't adequately take care of that person. I think there should be some mechanism whereby it can raise a red flag and say, "Hold on now, let's talk about this," without being penalized in some way for not doing what the central placement coordinator wants us to do. It's a very powerful position.

1710

Mr Jim Wilson: Yes, it is.

Mr Klamer: One can put oneself, I think, in a fairly negative light, depending upon whether you are agreeable or disagreeable with this person's decision-making process.

Mr Jim Wilson: Yes. You'll want to get along well with the placement coordinator.

Mr Klamer: Exactly.

Mr Jim Wilson: If I may also ask you a more direct question dealing with Chester Village, how much money would the foundation contribute to the operation of the home on a yearly basis, for example, outside of government money and copayments that are in the system?

Mr Day: We've always operated on a balanced budget. We don't run on losses.

Mr Jim Wilson: In terms of that, does the foundation raise money through fund-raising?

Mr Day: Yes. We do have other operations, but our operation is standalone. The care we provide and the costs the resident causes the facility to incur are all covered within our population.

Mr Jim Wilson: I see. I gather from your presentation and others that this is in jeopardy.

Mr Day: Very much in jeopardy, and it's a very fine line. I should say that we did run into a financial problem one year when the union came in. There was a huge retroactive union settlement that we were forced to take. Actually, that required us to take some government funding, but once we had the higher structural costs and were able to offset them with either cost savings or increased revenues, we've been able to maintain a balanced budget since then.

Mr Jim Wilson: Very good. Thank you.

Mr Day: I might just quickly add, just to reiterate the input we have in continuum of care, the placement agency and the sensitivities, when we take a resident in, our philosophy has been that continuum of care. They would come in as a well elderly, or as close to it as we typically get these days, and we can go right through to the extended care. If we have a central placement coordinator putting in a different care level at a different point, it could mean that the beds are full, and somebody who comes in at an early stage no longer has a bed as their health deteriorates because we've had a heavier-care individual come into the facility. So we don't get this continuum managed as well as we can manage it internally. That is going to cause displacement of residents, which at that age of life they find very disconcerting. So that's something else.

I don't know how the placement coordinator is going to build that in so the continuum can be continued for these residents. It's a very disturbing thing that we wrestle with now. We bend over backwards to make sure that somebody who has been there for 10 years, because he or she has take a turn for the worse, isn't relocated in another facility but we can find a heavier-care floor to move them to. When we don't know what's coming in next, I don't know how we're going to administer or make those changes.

I just throw that out. I guess a lot of our problems, as you said, centre on the placement coordinator and the impact it's going to mean on our population. I think the whole thing has to have more flexibility and more correspondence with the homes where they're putting these people. Let the individual home make the decision that it's been making for the last 20 years and doing very successfully.

The Chair: Thank you very much. I think you've given us a look into a specific facility this afternoon in terms of how you operate and the kinds of issues that you're facing, and that's been very helpful to the committee. Thank you again.

Just before we adjourn, if I could have the committee members' attention around our future schedule, you should by now all have received the schedule for our next two weeks, not this week coming where we are not sitting but beginning on the 15th. I'm informed that the clerk will have the air tickets tomorrow morning, so they should be to your offices by early afternoon. If you could, arrange through your offices to get them. We'll just be sending out the tickets for that first week, and then we'll get the ones for the second week.

One issue that I'd like to report on is that the subcommittee met at noon. You'll recall that in addition to the various groups which had applied, we had some that arrived a day or so after the deadline. What we were wrestling with was that we, as a subcommittee, had wanted to try to include as many of those as we could, and outside of Metropolitan Toronto we were able to accommodate that.

We have proposed, and I will be signing a letter to the House leaders, to request that we sit on Monday, March 22 and Tuesday, March 23 to do our clause-by-clause so that in the week of March 8 we would in fact be able to hear all of the deputations that were in touch with us.

Obviously, that requires the approval of the House leaders, and we will await that. I think this is good and was the intent of the subcommittee, that we wanted to try to accommodate and be able to hear from all of those who had applied. So, through the subcommittee, I will be in touch specifically on whether or not that will in fact happen.

Mr Hope: Just for some type of clarification and to make it a little bit clearer, as we all know, the parliamentary calendar says we return March 22 and March 23. I don't know anything other than what the parliamentary calendar says, that we return on the 22nd, so I'm taking it that this is when we are returning. That's why I think it's appropriate that the letters go to the appropriate people for their decision.

The Chair: That's quite true. While we may all have views as to just when we're going to be coming back, I think that will provide an opportunity for us to complete our work. At this point, then, the committee stands adjourned until the morning of February 15 in Thunder Bay.

The committee adjourned at 1717.

Substitutions present / Membres remplaçants présents:
Carter, Jenny (Peterborough ND) for Mrs Mathyssen
Hope, Randy R. (Chatham-Kent ND) for Mr Drainville
Jackson, Cameron (Burlington South/-Sud PC) for Mrs Witmer
Jamison, Norm (Norfolk ND) for Mr Gary Wilson
O'Connor, Larry (Durham-York ND) for Mr Owens
Sullivan, Barbara (Halton Centre L) for Mrs O'Neill
Wessenger, Paul (Simcoe Centre ND) for Mr Martin
Wiseman, Jim (Durham West/-Ouest ND) for Mr Martin

Clerk / Greffier: Arnott, Douglas

Staff / Personnel: Drummond, Alison, research officer, Legislative Research Service

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Paul Klamer, administrator

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*In attendance / présents

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Second Intersession, 35th Parliament

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Monday 15 February 1993

Standing committee on social development

Long Term Care Statute Law Amendment Act, 1993

Assemblée législative de l'Ontario

Deuxième intersession, 35e législature

Journal des débats (Hansard)

Lundi 15 février 1993

Comité permanent des affaires sociales

Loi de 1993 modifiant des lois en ce qui concerne les soins de longue durée

Chair: Charles Beer
Clerk: Douglas Arnott

Président : Charles Beer
Greffier : Douglas Arnott

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LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON SOCIAL DEVELOPMENT

Monday 15 February 1993

The committee met at 0904 in the Valhalla Inn, Thunder Bay.

LONG TERM CARE STATUTE LAW AMENDMENT ACT, 1993

LOI DE 1993 MODIFIANT DES LOIS EN CE QUI CONCERNE LES SOINS DE LONGUE DURÉE

Consideration of Bill 101, An Act to amend certain Acts concerning Long Term Care / Loi modifiant certaines lois en ce qui concerne les soins de longue durée.

The Chair (Mr Charles Beer): Good morning, ladies and gentlemen. My name is Charles Beer. I'm the Chair of the standing committee on social development. We're delighted to be here in Thunder Bay this morning and to begin what is a very full day of hearings. I think the response from this area has been very encouraging in terms of groups and individuals who wanted to come and share with us their thoughts on Bill 101, An Act to amend certain Acts concerning Long Term Care.

I would also like to welcome to the committee this morning the Leader of the Opposition and member for Fort William.

Mrs Lyn McLeod (Leader of the Opposition): Thank you; for a brief period of time.

The Chair: Now, as I say, we have a busy day. Just one note to members of the committee: When you go to speak, with the system we have this morning, don't touch anything. Both you and it will self-destruct. The folks over on the side will make sure that the red light comes on, but I've been told to warn you desperately not to push or touch anything or all kinds of incredible things will happen.

With that, and not to scare anybody who's coming forward to make a presentation—

Mrs Elinor Caplan (Oriole): Actually, you will have to put user-friendly.

The Chair: Whether these are user-friendly or not I'm not sure.

THUNDER BAY INTERAGENCY FOCUS GROUP

The Chair: I would like to call our first witness, the Thunder Bay Interagency Focus Group on long-term care, nursing administration group.

Mrs Caplan: Don't be nervous, you should tell them.

The Chair: Yes. Your mikes are much more friendly than ours. If you would be good enough just to introduce yourselves once you're settled, then please go ahead with your presentation. We have half an hour. Welcome to the committee.

Mrs Mary MacKenzie: My name is Mary MacKenzie.

Dr Darlene Steven: My name is Dr Darlene Steven, Lakehead University.

Mrs MacKenzie: Good morning, Mr Chairman, members of the committee. I'd like to thank you for this opportunity to present our concerns on Bill 101 to you today. The interagency focus group represents various health care facilities in the city of Thunder Bay. We represent mainly nursing administration and nursing education.

We were encouraged when we read the discussion paper on the redirection of long-term care to see the government's commitment to principles that we believed in. One was the importance of the individual, the importance of family and community, and equitable access to services. However, when we read the proposed Bill 101, it raised some questions with us on these principles.

We have reviewed the bill and we have concerns in the following areas: quality management, placement coordination role, the role of governance, consumer choice, intrusiveness of the inspection process, the appeals process, the erosion of professionalism and the vague terminology.

Quality management: It's encouraging to note that quality management is included in the proposed long-term care standards and in the development of Bill 101. It's our concern that the terms "quality management" and "quality assurance" may be used interchangeably. Because the concept of quality management is new, and especially in the long-term care sector, failure to clarify the meanings of the terms we felt will confuse facilities and care providers. With the entire health care system needing to do better with less, incorporating quality management principles we felt will provide an effective framework for accomplishing this task.

The draft of the Long Term Facility Operations Manual, which will support Bill 101, contains incongruent references to the concept of quality management, quality assurance and risk management. The use of the three different terms and the different approaches to cover the same topic in various sections of the manual will also lead to confusion.

We would recommend that all references in the manual must be the term "quality management," with a definition provided to describe that concept. We welcome the accountability aspects of the act, but feel that there should be clearly stated expectations for the implementation of quality management. We wonder about an inspection process and if this will guarantee quality management. Quality management means a commitment from the board of management administration down through all levels of staff, and we question the need for such an expensive inspection system.

The role of governance: We feel that Bill 101 will undermine the legally established principles of governance presently in place. There are three major financial contributors, the consumer, the province and the municipalities,

and although the province is not the sole funder, it would appear that the province is assuming total control and authority. We question this erosion of governance and authority by boards and municipalities.

0910

We also question the role and the credentialling of the director. This position appears to be very powerful; that is, he may cease authorizing admissions to a facility for a period of time. This will put our funding at risk and we question how many times we have to refuse an admission. If we refuse once, is our funding at risk, or do we have to refuse three or four times, or just what exactly is the process?

The intrusiveness of the inspection process: We acknowledge that Bill 101 attempts to clearly delineate the expectations for facilities as a means of achieving provincial continuity and quality service provision. We would expect the underlying principles in the expectations of service provision will also be congruent with the Canadian Council on Health Facilities Accreditation Standards.

There are clear requirements within Bill 101 of service agreements, quality management, plan of care, yet we don't see any really clear commitment for funding. The bill indicates that if basic service is not provided, the funding could be withdrawn. It does not, however, indicate an appeals process that an institution can access, should funding be threatened.

We have concerns that facilities will be required to offer additional services without a clear commitment for funding to cover the additional costs. We have concerns with the intrusiveness of the inspection process and we would recommend clear guidelines for this process.

The appeals process: The individual consumer has the right to appeal the decision with respect to eligibility for admission. However, there is no procedure in place which would allow the consumer the right to appeal the choice of facility. Will the consumer have the choice, or is this part of the centralized decision-making?

The long-term care facilities not included in the appeals process: We feel that staff at the management level and all the long-term care facilities are well aware of such things as geographic layout and other existing environmental conditions within the facility, which may mean that admission to the facility would not benefit the client and in fact could pose a concern for the safety of the client and be a risk management issue for the institution.

The appeals process as described brings up some questions for us:

(a) Who will assist the client with the appeals process?

(b) How timely is the process? We have heard it stated that it would take something like three or four months.

(c) Who will pay for the appeal process and all the legal fees that are incurred?

(d) During the appeal process, will the client continue to occupy an acute care bed and at what cost? Is there any indication that hospitals may be able to charge a copayment to the patient during this period?

We would recommend that long-term care facilities must have a process by which to appeal without fear of reprisal or of reduced funding.

Funding appeals: The bill states that opportunities will be given to apply for increased funding to help defray costs as a result of extraordinary events. What and who determine an "extraordinary event"? Would that be considered the provision of care at a level that is currently provided by chronic care facilities, or is it an issue such as funding for retrofit and the upgrading of facilities to meet current standards?

We applaud the fact that grants will be made on behalf of persons over 16 years of age with a disability. We do question, will this include persons presently living in long-term care facilities—and that would most likely be in chronic care hospitals—or will it be limited to persons living in the community?

I might add here that although the role of chronic care and long-term care has not as yet been defined, can we expect that Bill 101 will be expanded to encompass chronic care facilities?

Placement coordination service: We question the wording in section 18, which states that the placement coordinator authorizes admissions of clients to homes. We feel that the government should look at existing models throughout the province and build on the strengths of models which are working effectively for that community. We feel that we must look at the diversity of communities, at the ethnic and cultural differences, and recognize that the same model may not work in all communities within the province.

In reviewing Bill 101, it appears that the placement coordination service has total control and does not allow for flexibility in the system. The service must be client-centred and be mutually beneficial to clients, families and the long-term care facilities.

In this community we are very proud of our placement coordination service. It covers not only the city but the district of Thunder Bay. It was established in 1973 and we were actually part of the pilot project in the province. This followed consultation sessions with all groups and individuals who would be affected by the service. We feel that all the stakeholders in the city and the district have worked extremely hard to maintain this organization at a high level through collaborative and flexible working relationships with open lines of communication, and emphasis has always been placed on balancing consumer and facility needs.

I might add here that a lot of the credit for this is due to the present administrator of placement coordination services, Wendy Kirkpatrick, and I'm sure that you will hear from her some time today.

If the placement coordination service is structured in an authoritarian manner and with limited flexibility, we feel that there is a potential for client needs not being adequately met. This could create disastrous situations for clients and facilities. Some examples are: admission of elderly individuals with advanced dementias, elderly with social and behavioural concerns, unstable psychiatric conditions. Some facilities do not have the environmental structures, financial or human resources to provide a safe environment to meet the needs of those clients.

Erosion of professionalism: We question whether the ratios of professional to non-professional staff will decrease.

We recognize that we will face ever-increasing pressure to admit or re-admit from acute care hospitals elderly clients who are more acutely ill and have a greater multiplicity of diagnoses which will require skilled and complex interventions, and we are already seeing that happen. These needs will require an increased knowledge base and a need for an increased ratio of professional to non-professional staff. The existing deficits are skills certification and caring for the psychiatric elderly. Will funding be available to cover educational needs, both initial and ongoing?

In 1990 the Canadian Nurses' Association revised the role of the registered nurse and the registered nursing assistant. These standards outline the role of the RNA as that of caring for patients with conditions common enough that the outcome is predictable. This allows the RNA to practise using preset procedures, methods and formats approved by the registered nurse.

The knowledge base of staff must be congruent with the needs of the resident population. We predict that a high percentage of residents will be unstable with unpredictable outcomes and that the required care will fall under the registered nurse's scope of practice.

We are committed to the principles of quality management, of doing better with less, and we believe that lack of educational funding and subsequent altered professional ratios will compromise quality management and quality care and service. The question of education will be addressed further by the Gerontology Study Group.

Dr Steven: The human resources reimbursement systems will be addressed by the Gerontology Study Group. However, it should be noted that the Interagency Focus Group on Long Term Care did assist with the completion of these reports.

Mrs MacKenzie: Unclear or vague terms: These concerns may have been answered, or in fact may not even have been questioned, if the terminology in the bill was more explicit and/or descriptions were given. Some of the terminology that we had a problem with was: the role of the director as this has been identified, the appointment and credentialing of the placement coordinator and the director, basic accommodation, extraordinary events, inadequately provided, the Health Services Appeal Board and who is on this board, notice of other matters, certain documents and new inspection provisions.

The following recommendations are presented for consideration by the standing committee on social development: that the term "quality management" be used consistently; that the role of governance be redefined, given the basic difference in principles between the for-profit sector and the not-for-profit sector; that consideration be given in the appeals process to consumer choice and the rights of long-term care facilities; that the role of the placement coordination service be re-examined and a more flexible management model be considered; that consideration be given to the fact that elderly individuals entering the long-term care system in future will have higher acuity levels, therefore requiring care by skilled, knowledgeable staff and that funding be provided to meet those needs.

This completes the response of the Thunder Bay Interagency Focus Group. We thank you for the opportunity to present our position.

0920

The Chair: Thank you very much for a very clear brief. We'll move right to questions.

Mr Paul Wessenger (Simcoe Centre): Thank you very much for your presentation. I certainly agree with you that consumer choice is essential in this whole placement coordination aspect, but just to clarify, I thought I'd set out what I consider the role proposed for the placement coordinator.

Basically, the placement coordinator will determine, first of all, the eligibility question with respect to the consumer, and second, the question of a priority categorization, whether it's in an emergency situation or a non-emergency; of course, priority would go to emergency. After that classification is made, consumers, with the assistance of the placement coordinator, will have a choice of what facilities they want to apply to. They can put in their applications with respect to, say, A, B or C, in order of first, second or third. So I'd just like to assure you that consumer choice is very much an important part of that process. I'm wondering if that would allay some of your concerns, knowing that would be the process.

Mrs MacKenzie: I still have a question that the placement coordination services have the total authority of admitting to the facility. That looks as though we do not have any right to question whether a certain admission is appropriate for our facility or not. I don't see that in the bill.

Mr Wessenger: There is a provision in that there will be grounds set out in the regulations for refusal of an admission by a facility. It will be clearly set out in those regulations that where the services are not available or appropriate or the physical structure is not appropriate, the facility would, in those circumstances, have the right to refuse the admission. So it's clearly going to be set out that you're not going to have people put in facilities that will not be able to provide the services required for the consumer.

Dr Steven: I would like to add, I think it's one thing to say people will have choice A, B or C. However, when it comes to reality, if they don't agree with choice A, B or C and they want the D, then they have to go through the appeal process. If you look at that appeal process, I had difficulty understanding it. I don't know how the frail and elderly are going to understand that process or who's going to act on their behalf.

Mr Wessenger: I understand. When I say A, B or C, I mean they could choose any facility, make their own choices throughout the province, in fact. Any consumer will have that freedom to choose. Of course, there's always the question of the waiting list and the priority aspect, but as far as the choice, certainly I understand it will be up to the consumer.

Dr Steven: I don't want to be a pessimist, but I have been through the long-term care system reform in Alberta, Manitoba, Saskatchewan and now here in Ontario. I've seen it on paper and I've also seen it in reality. I can assure

you that it's one thing to have choice and be on a waiting list, but if you look at the waiting list, my mother waited close to 10 months. She died before she even got near a nursing home. So I just wonder if there is really going to be that much choice.

Mrs Joan M. Fawcett (Northumberland): Thank you for your presentation. Certainly, you have expressed a lot of the same concerns we have been hearing and they are very, very real concerns that we wish to get on the record.

I think one of the things I was particularly struck with was this intrusiveness, as you put it, of the inspection. Could you just enlarge a little on how you are making sure now that there is quality of service and how the proposed change, as you see it, would change what's going on in the institutions now?

Mrs MacKenzie: I think we have always had accountability.

Mrs Fawcett: I would agree with you.

Mrs MacKenzie: If we look at quality management, quality assurance, there are very few facilities in the province which do not have some quality management program in place. We are all accredited and I feel there are enough procedures in place. We all have boards of management that we are accountable to and we just see this process as being very intrusive, and also very costly if it's not necessary.

Mrs Fawcett: Would you agree that it's almost like policing?

Mrs MacKenzie: Yes.

Dr Steven: I would just like to add that I have looked very extensively at the whole principle of continuous quality improvement, continuous quality management, and if we look at these systems, it is the responsibility of the agency to address those accreditation standards and utilize what I call the CQI principles. If they have to do that for accreditation—I don't know how many of you are familiar. There are the new 1994 accreditation standards for acute care and long-term care. The costs involved in implementing that for the agencies alone, in terms of ongoing education for staff, ongoing quality checks, that they are doing what they're supposed to be doing, are going to be horrendous to the agencies. But I can assure you that agencies will be doing this.

Mrs Fawcett: Thank you very much.

Mr Jim Wilson (Simcoe West): Thank you very much for what is indeed an excellent brief. I want to go back to the placement coordinators because I agree that the way Bill 101 is worded currently, placement coordinators envisioned therein are very authoritarian, if not dictatorial. Perhaps you could just enlighten us. You mentioned in your brief that not only the city but the district has a very good placement coordination system. Do you have any idea, with your reading and any discussions you may have had with the Ministry of Health, of how your current placement coordination system will fit with the placement coordinator as outlined in the bill?

Dr Steven: I happen to feel that what is outlined in the placement coordination services is very intrusive. I think there have to be different models for placement coordination. We have something here that is very unique. All the agencies voluntarily put forward and work with placement coordination services here and we feel very comfortable with it. I think if it becomes more authoritarian we're going to lose what's voluntary, what's working. Don't fix things that don't need to be fixed; that's our feeling.

Mr Jim Wilson: I appreciate that comment. You mentioned that you're very worried about an erosion in the ratio of professional to non-professional staff. Have you already seen an erosion and, if so, can you give us the lay of the land?

Dr Steven: I'm very involved in the development of patient classification systems. I was the research assistant in Alberta when they developed the first prototype. The one they have now is not a prototype; I don't encourage it at all, the Alberta patient classification that's used right now to determine staffing.

I have been involved with the Thunder Bay homes for the aged in development of a new tool. It's used right in the institution, and we're looking at time-and-motion studies. We've done a time-and-motion study. We've looked at a number in the ratio of staff. Right now, I can honestly assure everyone who's sitting here, and my colleagues, that we are understaffed in that facility. Everybody keeps saying we're overstaffed. As a researcher, as a specialist in patient classification systems, we're understaffed. I really believe that if you're saying a registered nursing assistant, a health care aide and what I'm reading in the procedures contemplated for long-term care, that any one of us sitting here can go in there and give oxygen and do peritoneal dialysis, I really ask you to look at yourselves. I wouldn't do it. I wouldn't even go near peritoneal dialysis or renal dialysis without proper training and education, and yet it seems everybody's supposed to be able to do it, if you look at what the assistant deputy minister from Manitoba said.

The Chair: Thank you very much. I know we could go on with more questions, but I'm afraid our time is out. I want to thank you both for coming before the committee this morning.

0930

THUNDER BAY HEALTH COALITION
PATIENTS' RIGHTS ASSOCIATION, THUNDER BAY CHAPTER

The Chair: If I could now call the representatives of the Thunder Bay district health coalition. If the representative would be good enough to come forward. Welcome, introduce yourself and then please go ahead.

Ms Prue Morton: Thank you for the chance to appear before you. My name is Prue Morton, and it's the Thunder Bay Health Coalition. The "district" got shut out some time ago. But also, the Patients' Rights Association, Thunder Bay Chapter, thought that it only was going to be able to appear, and something got fouled up and it didn't get here. So really this is a joint submission from both of them, because I am connected with both of them.

The Chair: Would you mind just identifying the second group again, please?

Ms Morton: It's the Patients' Rights Association, Thunder Bay Chapter.

We appreciate the opportunity to comment on Bill 101, but our appreciation would be much greater if we had longer to prepare our comments. We only heard of the hearing 24 hours before the deadline, and that's given us very little time to obtain a copy of the bill, research and contact our members. We only heard of the hearings at all through the good offices of the MPP for Fort William, the Honourable Lyn McLeod, Leader of the Opposition. Surely, if the government wants meaningful comment, then it should provide adequate lead time and also ensure that the hearings are well publicized by various means.

Another small objection is that we were told that if we had a written brief, we should provide you with 25 copies. For an organization with no funding, that feels like an unnecessary expense. Since this is a very short presentation, we've only provided you with one, and I think you can probably follow the few comments that we're making.

While we agree that Bill 101 should lead to more equitable funding, it's a pity that it couldn't have been delayed until the funding for chronic care hospitals could have been included. The 1991 Redirection document notes that some residents there have similar care and support requirements to those in nursing homes and homes for the aged. Since funding for chronic hospitals is still on a different basis, equity will not be achieved, and this really fits into what was being said in the previous one about patient classification.

Moreover, many of the funding arrangements in the bill depend on regulations not yet announced, so it's impossible to determine whether it will in fact "establish a fairer funding scheme that is based on the levels of care required by residents," as announced by the Minister of Health in the Legislature on November 26.

The minister also announced: "No one will be refused care because of an inability to pay. Those who have a limited ability to pay, based on an income test, will pay at an affordable reduced rate." It is not clear that this promise is enacted in the bill.

The Redirection document is oriented towards providing a more consumer-oriented approach. It stated that every service coordination agency will have a placement review committee to consider requests for placement in long-term care facilities, and that it should include consumers and people of various backgrounds.

These are not mentioned in this new bill, and there again we agree with the comments of the last speaker, that if you can get an arrangement with all the agencies and with consumers, it's a great help, but you need something to ensure that, and it also provides for a very formal appeal board only.

Many of the vulnerable elderly would be completely unable to cope with these rigid appeal requirements. They are no doubt necessary as an extra precaution, but a more approachable medium is also necessary if the consumer is not to feel like a helpless pawn in a bureaucratic system. Also, is one member of the appeal board really sufficient to constitute a forum and be able to exercise the powers of that board?

A resident must be provided with a copy of the institution's procedures for making complaints, but the procedures themselves, while they may need to vary according to circumstances, need to fulfil requirements which guarantee ease of access by patients and their families.

Resolution of complaints must encompass not only compliance with plans of care and quality assurance, but less quantifiable things such as having to wait unreasonably long for a bedpan, being unable to access a physician or having the right to refuse treatment. All institutions should be obliged to facilitate the formation of a residents' council, and such a council should be given sufficient powers to affect the quality of care.

The document Into the 21st Century, the report of the Public Hospitals Act Review Steering Committee, has a section on patients' rights which should be included in Bill 101. These include the establishment of a patient service function which provides a patient advocate with independent funding to ensure that patients do indeed have some control over what happens to them.

In the case of long-term care institutions, the family and significant others would also need to be able to access this service, because very often persons, although not certifiably mentally incompetent, still need the support of family to get whatever concerns they have really addressed. Some of the other recommendations in this section are:

The government should enact legislation which will (a) set out the criteria, requirements and processes with respect to informed consent; (b) provide safeguards for mentally incapable patients regarding consent to treatment; (c) establish criteria for legal recognition of advance instructions regarding medical directives, including live wills; (d)—this is not so important locally—state that patients, including those in long-term and chronic care facilities, must provide informed consent prior to their participation in the teaching or research activities of the institution; and (e) provide criteria for the development of uniform consent forms written in plain language.

The bill allows the minister to make grants to people who have a disability to assist them in obtaining the goods and services they require as a result of their disability. There are seniors who are equally disabled who are equally as capable of arranging for their own care if provided with grants to do so. Will they be able to take advantage of this provision?

There should also be legislation regarding the use of restraints, similar to those recommended in the hospital steering committee report.

In conclusion, we repeat that we support the general intent of the bill and congratulate the government on dealing with a few of the aspects of long-term care services. We hope that dealing with community services aspects will follow soon.

The Chair: Thank you very much for your presentation. We'll begin questioning with Ms Caplan.

Mrs Caplan: I'd like to thank you for an excellent brief. You've focused on an area which I think is extremely important. What you said at the end of your brief is that your coalition supports the general intent and the basic

principles, but you find that many of the provisions of the bill, particularly as they pertain to patients' rights, are lacking and are not clear enough.

Ms Morton: Yes.

Mrs Caplan: Would you like to make some comments about your concern around limited choice, and also some suggestions, because I think the idea of including patients' rights in plain language in the bill is extremely important. Would you like to elaborate a little further on how you think that could be accomplished in the legislation?

Ms Morton: It's always very difficult to put things in legislation in plain language because it has to be in legal language in order to work, but perhaps if they could ensure that a transcript was made in such a way that people could understand it, it would help, I think.

Mrs Caplan: I agree with you. I think it is possible to make it clearer, or by the legislation find ways to make sure that people have the information they require.

You mentioned your concern about the inclusion of patients' rights, for example the fact that most facilities now have residents' councils. That's a requirement of the Nursing Homes Act. You would like to see that included in this legislation as well?

Ms Morton: I think so, to make sure that it does in fact happen.

Mrs Caplan: The principles of this bill speak a lot to consumer choice, but what I've heard you say is that you don't believe that consumer rights and consumer choices are enshrined in the legislation. From your reading of it, your view is that this could be done better?

Ms Morton: I think it could. In the first place, a lot of things seem to depend on the regulations, which aren't laid out in the bill, so they can be put in afterwards without people having any say as to what they are at all at this stage.

Mrs Caplan: You mentioned that you felt this legislation would lead to a very bureaucratic kind of regime. Has your coalition discussed how it could be done differently in Thunder Bay?

Ms Morton: We haven't had very much time, I'm afraid, to do that.

Mrs Caplan: But would you say this is one example where Queen's Park is trying to say that everybody has to do things the same way and limiting flexibility for local communities to input?

Ms Morton: Yes, I would say that.

Mrs Caplan: And you think it would be possible, for example in Thunder Bay, if you were given a framework that was more flexible, for your community to find a way that worked better for your own community?

Ms Morton: Yes, I think so, particularly because the needs of the north are always rather different to the needs of the south and obviously it's difficult for people to organize things province-wide in a way which suits everybody.

0940

Mrs Caplan: Your community's had considerable experience, because you were one of the first to bring in coordination.

Ms Morton: Yes, that's right.

Mrs Caplan: Thank you very much. I appreciate it.

Ms Morton: Thank you.

Mr Jim Wilson: Thank you, Ms Morton, for your excellent presentation. Given the time restraints you were under, I thought you did a tremendous job. I'll admit you were very efficient, and I'm going to have to review Hansard to catch all the points you made.

I want to just generally ask you about something you touched on that concerns us a great deal, and that is the vagueness of the bill and the fact that so much of the real content is going to be left up to the development of the regulations. Maybe you could give us your experience to date. You mentioned a number of the documents that led up to the development of this legislation and what the government tells us will be further legislation on long-term care reform. Do you have a generally good impression that your input was considered prior to the drafting of this legislation, and do you have confidence that your comments will form part of the regulatory process?

Ms Morton: Yes, I think so. It's always very difficult for the people who draft bills to put good intentions down into regulations. I hope that they will and I think there's a good chance they will.

Mr Jim Wilson: What's your general impression of how seniors and the elderly are viewing long-term care reform at this point? Over the weekend, I had an opportunity in my own riding, which is near Collingwood in the Wasaga Beach area of the province, to meet with a group of seniors who are very frightened about long-term care reform, particularly when they hear such authoritarian measures as placement coordinators; they very much believe that family and friends will be left out of the decision-making process. What's your general impression to date?

Ms Morton: My general impression is that people feel that the trend is towards providing more regulation without actually being able to provide them with more choice, that if the extra money went into providing more services or more staff, as the case may be, instead of providing more regulation, the seniors would get a better service. I think that's their feeling.

Mr Jim Wilson: That's very helpful. I have one last question. Towards the end of your presentation, you mentioned some concerns about consent to treatment and living wills, and without using the term, I think you were speaking about advocacy. Are you aware of the legislation that went through the House prior to Christmas?

Ms Morton: Yes. I'm not really quite sure how this system will affect this present system. The two seem to me to be saying the same thing and employing different bodies to look after it, and that seems to me counterproductive.

Mr Jim Wilson: If you're confused, Ms Morton, believe me, there are many legislators who haven't got it all figured out yet. Perhaps when the government members have their turn, Mr Chairman, they could enlighten us on how the legislation that's already passed fits in with this legislation we're studying now.

The Chair: We will now move towards enlightenment. Ms Carter.

Ms Jenny Carter (Peterborough): That's exactly the point I was going to pursue. I would like to say that I appreciate very much what you're saying, and I think patients' rights and consumer choice are absolutely the first concern. Maybe there are some places in the act where additions could be made which would clarify that, but my understanding is that consumers will have a very large input, a choice as to where they go, and that this is the intention.

Mr Wilson just raised the question of the three acts that were passed in December, the Advocacy Act, the Consent to Treatment Act and the Substitute Decisions Act, and I think together they pretty well answer a lot of the problems you raised. For example, if you have a frail, elderly person who needs to make an appeal or has some problem with the way he's being treated, the Advocacy Act will allow him to make a phone call or have somebody make a phone call on his behalf, and he will have an advocate who will listen to what he has to say and act on that.

You said you didn't see how it was integrated, but I think the whole point about advocacy is that there has to be no conflict of interest; it has to be separate from care providers and other framework things. That is what we've set up, something where the advocate will be quite independent, will work for the Advocacy Commission, and if that person is not being treated right, the advocate will be able to act. Similarly, we have substitute decisions, which will go a long way towards making sure that a person only gets the treatment he or she wants and that even if he or she is unable to choose at a given point, he or she can have someone to represent them or can have decisions they have recorded. Substitute decisions and consent to treatment will cover this whole question of a person's wishes being honoured, whatever the state that person may be in at a given time.

I'd just like your comments on that.

Ms Morton: One of the minor things that I think might make it difficult is that very often people in institutions really need to do this through their relatives, and it's supposed to be done directly by the person. There's no provision in there for family or friends to do it for them, and sometimes that needs to happen.

Ms Carter: I think family and friends are the first who would come under this, who would probably be the person who was delegated to be the decision-maker or the person with powers of attorney.

Ms Morton: Oh, no, I'm not talking about power of attorney. I mean to make a complaint under the Advocacy Act, which is—

Ms Carter: Certainly they could. The advocate can help family and friends, just as he or she can directly help the individual. That certainly is the intention.

Ms Morton: Good. Fine.

The Chair: Thank you very much. We'll make sure that copies of your submission are circulated to all the members of the committee. We appreciate the time and effort and the specific suggestions you've made.

OTHER HANDS INC

The Chair: I next call Other Hands Inc. Would the representatives of that organization please come forward. Welcome to the committee. Once you've made yourselves comfortable, would you be good enough to introduce yourselves.

Mrs Pamela Sheils: Good morning. My name is Pamela Sheils, and my copresenter is Judy Grandell. We also acknowledge the Leader of the Opposition, Lyn McLeod, for making us aware of this standing committee. We very much appreciate this opportunity to voice our concerns.

Judy and I have spent many years in Thunder Bay, working both in institutional settings and—the present situation—managing commercial agencies which provide home care and nursing services to the citizens, particularly elderly citizens, of Thunder Bay.

We understand that Bill 101 is concerned mainly with issues which directly affect nursing homes and homes for the aged. We are here because everyone concerned with health care in Ontario has a common goal. That goal is to provide the utmost in quality care.

There can be times when community nurses and providers of home care are the very first to be involved in the placement procedure in terms of determining care needs. Always we work closely with community agencies, case managers, families and clients as required in order to best serve the needs of individuals.

Our agencies complete papers as requested in order to provide the accurate information required by the placement coordination service. Our services are used to keep individuals in the comfort of their own homes until placement. The information we pass on is invaluable in terms of continuity of care once the individual is placed.

Both Judy and I have been deeply involved in the consultation process around long-term care reform, and it is our understanding that this reform will put greater emphasis on community-based services (a) to assist individuals to remain at home, (b) to be a cost-effective measure for Ontario's health care system and (c) to reduce long waiting lists for placement in institutions.

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In a news release by the Minister of Health in January 1993, it was proposed that there be a shift away from using commercial agencies in favour of non-profit agencies which provide home care services. We fail to see the advantages of such a step. In this community, commercial agencies employ approximately 275 people and have, combined, a total of 25 years of service.

In Ontario, commercial agencies provide 18,000 jobs and over nine million hours of care annually. Commercial agencies provide 41% of all publicly funded homemaking services.

If commercial agencies are eliminated, many jobs would be jeopardized unnecessarily in a time of recession and unemployment. Significantly increased pressure would be put on the welfare rolls and on unemployment insurance. It will undoubtedly create longer hospital stays, as home care will have become less available. A

less flexible system of service will prevail. The needs of an increasingly elderly population will not be met. There will probably be longer waiting lists for placement in institutions. A predominantly female, often ethnic, workforce will have suffered significant reduction.

Consumers need to be confident that there are opportunities to exercise choice and control concerning their lives, that there will be quality care provided by trained professionals, and that the care they are currently receiving is not in jeopardy.

Commercial agencies are committed to the advancement of quality, cost-effective care in the home as an alternative to traditional, more costly institutional care. All agencies, be they profit or non-profit, pay and bill rates mandated by government. A balanced system of profit-making and non-profit agencies makes available quality, cost-effectiveness and innovation in the delivery of home care services.

We would request a clearly stated rationale related to cost and quality of service delivery should private agencies be eliminated. We also need assurance that the issue will be debated openly and publicly before our role is redefined or eliminated.

Finally, we ask that you consider the realities of modern economies, where efficient services and products are the ones which survive. In modern economies, laws dictating that efficient providers of goods and services be eliminated just because they might make a profit are becoming less and less acceptable.

Government certainly has the right and the obligation to ensure quality care for our increasingly elderly population, but this can be achieved, in our view, through healthy competition, not by the elimination of competition.

I introduce Judy Grandell, who is manager of Olsten Healthcare Services and is my copresenter.

Mrs Judy Grandell: Olsten Healthcare, formerly Upjohn Healthcare, has provided homemaking and nursing services to this community for eight years. Prior to the commercial agencies opening, service was provided five days per week, 9 to 5. We have opened the door to 24-hour service, seven days per week. The home care program mandates that service providers of the area be utilized. We, the commercials, are utilized at the non-profits' discretion.

Our nursing service is provided by current registered nurses who provide service seven days per week, such as nursing visits, IV therapy, palliative care and medivac services, at a cost less than the non-profit. Unfortunately, in Thunder Bay, referrals stop at 3 pm on Fridays and our quick response ends at 8 pm. The quick responses only work by non-profits. In another Ontario town, a palliative patient was sent home with doctor's orders for home care. The agency to provide service was a non-profit. One month later service was to start. The patient died the day before, thus no service.

Health care has no time frames. Agencies should be chosen to provide prompt quality service. Our agency has had a quality assurance program since opening and is currently seeking accreditation for our agency. You may say this does not pertain to institutions, but when you fund private nursing homes with health care dollars, the same funding should be applied to home care dollars. We do not need double standards.

The current system needs a definite change to meet the growing demands of seniors, changes such as: a central agency responsible to a non-conflicting board; choice of agencies; open the system to needs of clients; and perhaps a user fee for the integrated homemaking program. Let's work together to provide the best health care in Ontario. The power lies in the hands of the government officials. Use it wisely.

The Chair: Thank you very much. We'll go directly to questions.

Mr Jim Wilson: Thank you for your presentation. As the Health critic for the Ontario PC Party, my colleagues and I have worked very hard to try to bring some common sense to this legislation and to the government's stated intention for any preference for the not-for-profit sector.

I just want to do a little preamble. Other governments have stated a preference for the not-for-profit sector through legislation and regulation over the years, but it seems to me that this government takes that several steps further than in the past. When a Conservative government's in office and we state that preference, we mean that yes, the not-for-profit sector is very much part of the system; it's been operating primarily in daylight hours, and the commercial agencies have kicked in to fill the gap, as you mentioned, to the extent of 41% of services in the province. In fact, I think the figure's probably going to come in a little higher than 41%, and the number of jobs created in the commercial sector might even be a little higher than what you've stated.

Is there any reason why the government should want to drive the private sector out of the provision of health care? Can you give us any indication of why this government seems so hell-bent on doing that?

Mrs Sheils: I would say that we have not to date seen any rationale for such a move. This is why we are here today, trying to urge that if this step is taken, there is some rationale presented for such a move.

Mr Jim Wilson: You would challenge the government to bring forward a cost-benefit analysis?

Mrs Sheils: That's right.

Mr Jim Wilson: Or perhaps hold public hearings specifically on this topic.

Mrs Sheils: Yes, that would be our hope.

Mr Larry O'Connor (Durham-York): Thank you for your presentation today. As we travel the province, we'll hear many different views about and different aspects of the whole long-term care and the redirection taking place.

I was wondering if you could perhaps see an area where you or agencies like yours might be able to provide information, so that when it comes time for placement coordination, you might be able to give some information that would be useful to the placement coordinators, so that the information you've gathered over the years is going to be effectively used in providing the correct placement for the consumer.

Mrs Sheils: Yes, I believe I did address that at some point in here, where I indicated that often we who are working with clients in their homes are the first to be involved in that whole placement process, and we certainly have been requested to complete the papers required for placement. I think also that carries through with the care once they are in fact placed in an institution; that very basis continues on in the care and continuity of care.

Mr O'Connor: Do you see a role, then, for yourselves as someone leaves your care into the care of a facility? Maybe some suggestions could come forward from you or a service like yours, so that some of the plan of care for a patient going into a longer-term care facility, some of that information, would be quite useful and might ease the work of the facility at some point.

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Mrs Sheils: At present we have both provided information and are working on a committee with the district health council concerning all the health care and perhaps a central agency within Thunder Bay. Yes, if we've had a client for two or three years, we have learned the nooks and crannies of that patient and, yes, our information is valuable.

Mr O'Connor: Very good. Thank you very much.

Mrs Yvonne O'Neill (Ottawa-Rideau): I have a question, but I would like to invite our leader to pose a concern and a statement.

Mrs McLeod: I can do it whichever way. I just wanted to have an opportunity to make a very brief comment, because I'll have to leave to catch an airplane before the end of the next presentation. Since the last two presenters have both indicated the efforts of my office in ensuring that you would hear from a range of presenters today, I thought it warranted just a very brief comment that we did indeed think it was important for the committee to hear from a range of both health care providers and consumers of health care, and I think you will find that's the case over the course of the day.

I think you'll hear one common theme that runs through that you might find a little bit unusual. I just want to draw to your attention how you have heard it in each of the presentations, and I think you will probably hear it throughout the day; that is, that this is a community in which there is a tremendous amount of cooperation between all of those who are involved in trying to meet the health care needs of this community.

One of the reasons you hear that is that, because of the size of this community and our relative geographic isolation, the networks become ones of tremendous interdependence. I think for that reason there is much that we can learn about how this system can work effectively, and maybe what some of the concerns are that can get in the way of that kind of informal cooperation and the creativity that can come from that in providing service. So I just wanted to make that comment before having to leave. Thank you, Mr Chair.

The Chair: Thank you. Ms O'Neill.

Mrs O'Neill: I'm very happy that you came. I have two very short questions. Is this press release the only real notification you have of the situation you've brought to our attention?

Mrs Sheils: Yes, that's where it's specifically stated. There has been other material which is not quite stated as clearly around this issue, but this really leaves no question that that is what is going to happen.

Mrs O'Neill: I hope you have written the minister on that issue, just that one issue.

I'd like you to just tell us very briefly what effect this press release and the concerns you've brought are having both on those you serve and those who serve in your organizations. What's the effect at the present time?

Mrs Sheils: Speaking for myself, my staff are very concerned because they stand to lose their jobs if that legislation passes. I would say that within my agency, close to 80% is publicly funded. As I mentioned before, all the agencies, whether they be profit or non-profit, receive the same hourly rate of pay, so there's no great profit being made here.

As far as the clients go, they also are aware. Many of my clients have had non-profit agencies serving them and, for one reason or another, have chosen—and this is where I really stress the choice. It has enabled them to try a different agency, and they seem to be very happy with that choice that they have made.

Mrs O'Neill: Thank you.

The Chair: We have time for a brief supplementary. Mr Jackson.

Mr Cameron Jackson (Burlington South): You've probably been monitoring some of the government's policy decisions as they relate to the impact on your workers. If the day care example is any example, you're aware that all the seniority rights and any preferential assistance with obtaining employment in the not-for-profit sector are out the window, because they turned their back on the day care workers in this regard. Are your workers aware of how the government treated private day care workers—women—and how that would affect workers in your field as well?

Mrs Grandell: When we started service 10 years ago, the commercial agencies were accepted with open arms because of the seven-day-a-week, 24-hour care. Back then, 24-hour care was very accessible. Even today, I don't think non-profits would be able to provide 24-hour live-ins. Our workers are very aware of the fact that if our doors are closed, they will not automatically be picked up by the non-profit agencies. In nursing, for example, they are requesting BScN, even though the Minister of Health has not mandated this as government law.

I can't see the homemaking scenario being picked up by the non-profits. I can only see that perhaps the home care system is going to grow to great demands which are not going to be met. I think it really is going to take all of us to work together to make this work. By the year 2011 or 2010, the baby-boomers are in full force as senior citizens. What do we do then? I'll be one of them and I'm sure some of you will too.

Mr Jim Wilson: The minister's already stated that laid-off hospital workers will have first preference in the

not-for-profit community-based sector. So in my view, there's a continuum of layoffs and your people are out the door. Frances Lankin's already made it very clear and she's set up a retraining fund for them. Mrs O'Neill mentioned you should write the minister. I know we've received hundreds of letters from the commercial sector and I just encourage you to keep up the fight.

Mr Wessenger: I'd just like to follow up with respect to this whole question of delivery of service. As you probably know, in the consultation paper it was clearly stated there'd be a continued preference for non-profit delivery of services. I think probably it's also fair to say that it's perhaps not even a new policy; it's a continuation of the policy of the previous government.

Mrs Caplan: That's not true.

Mrs O'Neill: Don't put that on the record.

The Chair: Order, please.

Mr Wessenger: With respect to your role as I understand it, are you challenging that concept or are you really saying there's a need for the private sector in the delivery of services? You're asking that we look at a flexible basis, that you can play, shall we say, a supplemental role with respect to this.

I'd also like to put on the record that there is no policy to eliminate the private services. I think I would like to say that.

Mr Jim Wilson: Put it in writing.

Mr Wessenger: I just want to explore this aspect with respect to playing a supplemental role in providing the flexibility. Is that really what you would like to be considered?

Mrs Grandell: Why are you so pro non-profits?

Mr Jim Wilson: Good question. You never had to answer that question.

Mr Jackson: He's a lawyer. You get four answers.

Mrs Grandell: Excuse me, but you don't work for nothing and I don't feel we should work for nothing. The non-profits do not work for nothing. They are paid a wage. They have very high budgets. We don't have high budgets. Both Pam and I have put in blood, sweat and tears as well as money, and non-profit doesn't. You give it to them.

Mr Wessenger: I think it's fair to say that when you have a delivery of service with respect to an area, there's a role for both, obviously, the private sector and the non-profit. I think that's fair to say.

Mrs Caplan: It's your policy.

Mr Wessenger: Certainly, the private sector has made the non-profit sector more flexible and I think it has provided a mix of services.

Mrs Grandell: We can prove that they're not flexible. I stated that this morning. They aren't flexible.

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Mr Wessenger: They aren't flexible in this community?

Mrs Grandell: They're not flexible to the services or the needs of the clients. Non-profits get Monday to Friday, 9 to 5. We get the weekends and we get the nights.

Mr Wessenger: And that happens in this community?

Mrs Grandell: Yes, it does.

The Chair: Mr Wessenger, if you could just—

Mr Wessenger: That's why I wanted the answer. You're saying that in this community the non-profit sector is not providing the service. Is that what you're saying?

Mrs Grandell: I'm saying in this community and other communities as well. I belong to a complex right across Ontario, in fact right across Canada. We have quality assurance and have had it since eight years ago. Have the non-profits? We are seeking accreditation. Are the non-profits? Why isn't an accreditation service in effect for agencies that provide nursing and home care? Why is that not legislated? It's there for your nursing homes and for your institutions.

Mr Wessenger: I appreciate your point of view. You've made your position clear that you feel the non-profits do not provide the flexibility in the services and that you provide those services, and I'm aware of that. Thanks for your answer.

The Chair: Final question, comment, Mrs Caplan.

Mrs Caplan: This is an area that I do have some knowledge and expertise in. I want to point out to the parliamentary assistant that his statement of former government policy is inaccurate. The policy of the previous government was to ask the question, "Who can provide the best service at the best price?" and to have the kind of balance within the delivery of services that has built, I think, the kinds of agencies and support service in the community that reflect the kind of commitment, whether it's private sector or public sector.

It's been clearly stated by your government and by your ministers that there is no role for the private sector in the delivery of health and social services, and this press release is the only example of the kind of communication that's come to these people. I believe that is shameful.

The questions that have been asked of the government by these deputants I believe deserve an answer. I want to just state, this morning, my own frustration at the fact that they have not been answered and also acknowledge that what these representatives of the delivery of private sector services have said regarding quality of their program, cost-effectiveness of their program and flexibility in meeting client needs is accurate.

I want to thank them for their presentation, and I understand their frustration as well as their appeal to the government to listen to them. I just ask them whether or not they feel that the parliamentary assistant heard their message this morning. I fear he has not. Do you think you got through to them?

Mrs Sheils: I have questions in my mind about whether we were taken seriously or not.

The Chair: Thank you very much. Certainly, the questions are on the table and will form part of the record of this committee's deliberations. We thank you both for coming this morning.

GERONTOLOGY STUDY GROUP,
NORTHERN EDUCATIONAL CENTRE
FOR HEALTH AND AGING

The Chair: I call next upon the representatives of the Gerontology Study Group, Northern Educational Centre for Health and Aging, if you would be good enough to come forward. We are surprisingly a little bit ahead of ourselves.

Mrs O'Neill: Let's hope we are there at 9 o'clock tonight.

The Chair: Whether we will be there at the end of the day, I'm not sure. Thank you for being able to come forward. Just while you're getting settled, may I also say that probably if we were putting out awards for presentations, I think this booklet you've put together is extremely well done. We appreciate all the work that obviously went into this.

Dr Steven: Thank you very much. I'd just like to let you know that I did this on my own time on my own behalf because I'm in a conflict-of-interest situation, being a representative for the Ontario Nurses' Association.

The Chair: Excuse me, Dr Steven. While you're back again, you're starting another presentation. Would you mind just identifying yourself again for Hansard.

Dr Steven: Allow me to introduce myself. My name is Darlene Steven. I'm an associate professor at Lakehead University and I'm also involved in several groups within this community. I'm involved as a member of the Interagency Focus Group on Long Term Care. I'm also a member of the Gerontology Study Group, which I'm representing here today—I'm sorry my colleagues are a bit late, or they might be early—and that's part of the Northern Educational Centre for Health and Aging at Lakehead University. We're very proud of this. I'm also a chairman of the Northwestern Ontario breast screening program and I am involved with the Ontario Nurses' Association, so I have a fairly extensive agenda, plus I'm doing quite a few research projects in this area.

The Chair: You can put all your hats across the table.

Dr Steven: I'm trying to.

I will walk you through this document, because it's fairly extensive. I think it says everything we have to say. We didn't want you to leave Thunder Bay without having something to take away with you.

There are two addenda to this report and they're included in your package. One is A Review of the Alberta Patient Classification Tool for Long Term Care Facilities. I've spent extensive time reviewing the system. I was in Alberta. I have utilized this system throughout Alberta. I can assure you there are problems.

Also, I looked at the Review of the Procedures Contemplated for the Future Long Term Care Facility, and I would ask that you take the care. It's been looked at in terms of the standards for registered nurses and registered nursing assistants. We didn't do health care aides because they're not regulated. But if we look at the document and what it contains in there, all of you can go out there and be a health care aide or be a registered nurse or a registered nursing assistant. I hope our legislation takes care of that. There is scope of practice, but up until this point it seems that anybody can do anything.

Let us turn to section 1. We have stated, and we wrote these in terms of our beliefs as the Gerontology Study Group, "All elders should have choice and control of their destiny." We have heard about the rights of individuals to have programs and to have facilities, but there is a big difference between what is happening in Toronto and what's available there and what's available in northwestern Ontario, especially in Marathon, Manitouwadge, Kenora or wherever. A lot of our consumers go to other places for their needs.

We support the appeal process; however, we do have our reservations. Once again, it's very difficult to comprehend, especially if you're elderly, and yes, I do believe in advocates, but I also believe family are advocates too and they should have the right to act on an individual's behalf or help him or her through the system.

I do have questions about, will people know who an advocate is or if they're available? If you look at the WCB system, they have an appeal system and you have advocates, but I can assure you I've been through the WCB system in Alberta and it cost me $4,000 to hire a lawyer, even with an advocate present.

We recommend that further consideration be given to the rights of individuals to control their destiny. We further recommend that the appeal process be re-examined from the perspective of the consumer, especially with due regard for the frail and elderly and their family relationships and due regard for an appeal process for the agency.

Moving to section 2, the overall goal of health is to reach optimum functioning. We support the Senior Citizens' Consumer Alliance For Long-Term Care Reform in that our system of caring for the elderly must address a wide variety of needs. If you look at the extensive document that they've produced, yes, we believe in health promotion, enhanced funding for older adults, access to respite services, support services to care givers, implementation of quick response teams, but at what cost? I mean, let us look at what moneys we have available. We're in a cost-constraint environment and I think that has to be taken into consideration. We have a lot of these programs as well in our community. We work very closely together.

Recommendation: that coordinated, comprehensive planning occur between the public and private sector, government agencies, policymakers and consumers in regard to the development, implementation and evaluation of the services to be provided.

But we sincerely urge you to consider respite care and palliative care. I know there's $4.5 million targeted for palliative care, and I hope it's used wisely.

Section 3: Care practices should be research-based. The Senior Citizens' Consumer Alliance reports that geriatric research in Canada is in a dismal state. As an educator and a researcher, I can attest to this. We are very fortunate. One of my colleagues and I have several grants, but if you look at what's needed to be done in terms of research, there's not any discrepancy. There are a lot of excellent researchers available, but there isn't money to do the research.

This is indeed a tragedy if one considers the fact that the number of seniors in this province is increasing, and we need to conduct research related to aging, alternate mechanisms for care delivery, staffing of facilities, roles and responsibilities of practitioners, especially in regard to the role of the registered nurse, registered nursing assistant and the health care aides.

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We recommend that consideration be given to enhanced funding for geriatric research and the continued support of the Centre for Aging and Health Education, McMaster University, the Northern Educational Centre for Health and Aging, Lakehead University—our funding runs out in September and that is really sad—and the Centre for Studies on Aging, University of Toronto.

We suggest that geriatric centres or community teaching units in long-term care be developed with consideration to the northwestern region as well as other regional centres.

When we look at provincial accountability, standards related to care, ongoing education and continuous quality improvement, we recommend that they be universally applicable.

I've clearly outlined what's involved in the CQI, or continuous quality improvement, and it includes continuing education activities for all staff, board members and management. We're not doing this now and we're going to have to do it. It also includes continuous quality assurance management and risk management and we have to account to the public for it.

It's interesting to note that although these standards are to be implemented in 1994, one may question whether consideration has been given to the costs of implementing these programs throughout Ontario.

I would just like to assure you that in all agencies here, their number one priority is providing quality care in a cost-efficient and effective manner. We're not trying to take money that we aren't doing something for.

However, we're not quite sure what funding system they're going to be using in this province because we haven't been able to get the data. I did get to look at some of the manuals that were around in terms of looking at quality assurance. They're very task-oriented. They look like they're from Alberta. I've seen similar ones in Alberta. Surely to goodness this province can come up with standards that are true quality standards and adhere to it. I couldn't even understand in the manuals the difference between standards, criteria and guidelines, and I know this stuff.

We feel that services should be provided in a coordinated manner, and we've given you some of the proposals that's based on. We looked indeed at the CMSO, or comprehensive multiservice organization, model that is proposed, and we're asking you to consider alternative models. It's not just one thing to have local planning agencies, although we support the district health councils and planning, but we want you to look at various care models.

If you look at the Victorian Order of Nurses, they have voiced extreme concerns about the fact that it could result in a monopoly that would seriously limit consumer choice, that it would devastate volunteer agencies and voluntarism in Ontario, that it would seriously damage the ability of existing programs to respond to regional-, cultural- and religious-specific health interests and diversities and that it would reduce, not improve, cost-effectiveness. It moves too fast without adequate thought to adverse impacts.

I'm asking you, please, let's do our studies, our homework, before implementing something without due regard for what's going to happen in the future. And if you think I haven't seen non-profit organizations devastated, I've been in BC, I've been in Alberta and I've been in Saskatchewan where the VON has completely shut down because it thought government felt it could do the service at a better cost. Nobody has ever shown me on a piece of paper or in a report or a publication that government can do a better job at a lower cost—nobody, and I was the executive director of the VON in Alberta.

I spoke briefly about the placement coordination services. Please don't try and fix things that don't need to be changed. We recommend that thoughtful deliberation be given to the adoption of a number of CMSO models in the province, with the proviso that these models meet the needs of local communities, take into consideration various types of organizations, both profit and non-profit, and government agencies and are evaluated as to their cost-effectiveness and efficiency.

We further state that the concerns addressed by the VON with regard to consumer choice, voluntarism, programming, cost-effectiveness and piloting of models be given consideration and that the placement coordination services in this community be integrated into the system with consideration for the pricing structure.

We looked at whether public and private providers should conjointly undertake servicing low density areas. We know that our consumers go to Winnipeg, they go to Duluth, they go all across North America and they even go to London for their services. We've done those studies. However, it is a community with linkages and professionals and agencies willing to work together to create a better system.

This is unlike Alberta, where in one small community there was an extended care right beside an acute care and they had two power plants, two laundry facilities, two administrations, two everything. If that's not abuse of the system, I don't know what is. Let's keep working together. We are visionary and we can make changes here.

We recommend that consideration be given to the development of coordinated services utilizing public and private providers to ensure equal access to the elderly in outlying areas of this province.

Care professionals require professional judgement and decision-making. We must take into consideration the skills and the levels of our care workers. We all need continuing education. We all need to be trained in gerontology. I looked at the report on the future of long-term care. It looks at the critical domains of nursing practice in terms of context to practise, nature of practice, training requirement, legal issues and economic issues. If we're going to allow somebody to do something, make sure that they know what they're doing, that they're not giving medication when they don't know what it's for or the effect it can

have on the elderly person. We all know that the elders take a number of medications that can affect them.

We do support the support workers, if I might say, but we support them being under the supervision of a registered nurse or a professional nurse.

We recommend:

— That educational programs be designed to enhance the knowledge base of professionals and support workers in gerontology at the certificate, undergraduate and graduate levels.

— That consideration be given to the development and funding of these programs at various centres throughout Ontario with provision for programming at Lakehead University through the Northern Educational Centre for Health and Aging.

— That thoughtful consideration be given to the roles and responsibilities of registered nurses, registered nursing assistants, health care aides and support workers in the provision of care of the elderly by the College of Nurses of Ontario, professional associations, government agencies, community agencies, educational institutions and the consumer, and that funding be provided to conduct research related to the roles and responsibilities of various care workers.

— That patient classification systems address the staffing requirements and skill levels of personnel. I have done extensive work on patient classifications right across Canada. I have also been involved in the development of a system in Alberta. It included bathing. If you look at this Alberta patient classification system right now, which I have in detail, they do not include bathing in the care requirements. How we're supposed to conduct care if we're not going to bath those patients, for heaven's sake—I have never heard anything so ludicrous in my life. It takes five minutes to an hour and a half to bath a patient in a long-term care setting. I can assure you of that and I can show you the time-and-motion studies we've done.

I have real reservations about this Alberta patient classification system, the number one reason being that this was developed seven years ago. Dr Giovannetti was my professor. She taught me the principles of vigorous research. We are to test these systems out every year or every two years, and the report advocates every five years. We are implementing a system that is not valid, that is not reliable. In fact, I've got documentation from nursing administrators that I'd like to share with you. They've gone in and they've classified patients at level 1 when they were actually level 3. That's a difference of one and a half hours to three and a half hours of care. For goodness' sake, let's have people who know what they're doing and let's get rid of a system that is not even valid and reliable in this province. Surely to goodness we have professionals here in this province who can develop a system.

Therefore, I suggest:

— That consideration be given to the replication of the provider activity study in the province of Ontario. We were promised one. We haven't seen any action to date.

— That consideration be given to a work sampling time-and-motion study conducted in homes for the aged, chronic care hospitals, chronic care units in acute care hospitals and rehabilitation centres in order to assess the direct, indirect and support activities.

— That consideration be given to the development of a comprehensive patient classification system encompassing care provided by a variety of personnel, and further, that the patient classification schema be used for assessing staffing requirements.

— That consideration be given for incorporating the special care needs of patients—rehab, handicapped, psychogeriatrics, respite care and palliative care.

— That consideration be given to the development of a strategic plan for the implementation and evaluation of the revised Alberta patient classification system. I support a revised patient classification, or let's develop our own.

— That classifiers be given appropriate educational sessions to ensure their understanding of the Alberta patient classification tool.

1030

In terms of section 9, reimbursement systems, I have great difficulty with the funding system that is proposed. I support that offered by Leatt, O'Brien-Pallas and Pink. It's in your manual under section 9. We must have researchers, economists, who can come up with a better funding mechanism and therefore we suggest:

— That consideration be given to the recommendations proposed by researchers from the University of Toronto in the development of reimbursement systems.

— That consideration be given to the establishment of an advisory committee comprised of specialists in reimbursement systems to investigate alternative funding mechanisms.

— That we develop more sophisticated computerized and financial systems.

In section 10, we talk about the appropriate funding to community agencies. I work very closely with the Victorian Order of Nurses. They've had an increase of 300 patients a month, long-term care. If you look at what's being invested in the community, 2% of the budget is to the community. I've also been involved with public health units, and the mandating that they provide programs for seniors, without adequate funding. Where is our logic in this? Please, if we're going to discharge people in the community, let us have the funding and the money available to them.

I leave you with this comment: Elderly people deserve to be treated with dignity and respect. Please give them the choices available that they deserve. Thank you.

The Chair: Just before going to questions, I know some people have come in since you began. Perhaps one of your other colleagues would like to come up and join you at the table as we get into questions.

Dr Steven: Yes, Mary Lou Kelley is here.

The Chair: Fine. Would you be good enough to introduce yourself both to the committee and for Hansard?

Mrs Mary Lou Kelley: Certainly. My name is Mary Lou Kelley. I'm an associate professor in the department of social work at Lakehead University and the director of the Northern Educational Centre for Health and Aging at

Lakehead University and a member of the Gerontology Study Group that is really the author of the brief.

The Chair: Thank you very much. We ended up a little ahead of ourselves and got started. It gives us a little more time for questions.

Mrs Kelley: You were. It's the only government process I ever knew to be ahead of schedule.

The Chair: This is the Legislature. We do have a bit of time, so I'm going to permit two questioners from each of the caucuses, beginning with Mr White.

Mr Drummond White (Durham Centre): Ms Kelley, I've looked over the presentations and consultation papers, and you're the first social worker I've seen present. I think that's been a significant lack. In fact, when I was looking at the list of members of your group, I wondered why the school of social work at Lakehead isn't mentioned here, when we have geography. I'm glad to see you're here and part of it.

There are a number of questions I have from your excellent presentation. I will just, however, concentrate on a couple of areas. One, the placement coordination services, which I understand here in Thunder Bay is doing an excellent job and seems to be fairly well received by most parts of the community. There's been a great deal of discussion about it, the nature of consumer choice and what factors would be weighted in in terms of the appeal and in terms of the decision-making. I hear from people that this is very important to the legislation and to the government's thrust, but then when people look at the act, they say it's not there.

If we were to have the appointment of the placement coordinator and if that were to be spelled out in law to be upon the recommendation of the local health council or health bodies, to be considered by the minister, would that assist in the sense of the feeling of trust that people would have with that coordinator on a local level?

Mrs Kelley: Do you want me to respond? I guess my first comment would be that I don't think there's any concern about the issue of trust in Thunder Bay, with the Thunder Bay district placement coordination service. I think there's excellent trust between the agencies that are participants and consumers. My feeling is that the trust comes because of the model not only of the development of our PCS but also of the implementation of the decisions around placement.

It very much would operate on a consensus model, where the coordinator who has all the professional skills to make valid assessments interacts with the referring agents and if necessary also the family members, takes all that information and comes up with the best placement decision in that context. So there are a lot of factors that go into that decision.

I think because it is run by a local board, if there seem to be policy or procedural difficulties in the way the decisions are implemented, they have an immediate vehicle to address those on a local level. The board is a participant in the process, both the agencies that receive the recommendations and the hospitals or community agencies that make referrals, and there's consumer representation on the board as well. I think our local control is the key to the trust. I guess if that's what you're asking me, I would say yes, definitely.

I also think it's critically important that the development of the placement coordination service and the model is based on volunteer commitment to the process. What happens is that each year or every other year, the placement coordination service asks for agencies to make a commitment to work through it exclusively. I don't know if there are any other communities that have 100% commitment from all of the long-term care facilities. I think it's quite unique.

Volunteer commitment means a real sense of ownership that you could never legislate. Agencies in fact work together and will monitor one another's activities in the system, because they know the system will only work if they all work together. I'm aware of other communities where some agencies will participate and others won't.

They tend to be in situations where the placement coordination service was legislated or imposed on the community, and the lack of autonomy is a concern to those agencies. It's not a concern in our community, because the whole process goes full circle. The people who are the users are also the people who have input into the way the policies and procedures run and are the same people who monitor whether the system is working.

Mr White: With that kind of system, you have full input in regard to the cultural, the social, the familial and consumers' concerns.

Mrs Kelley: Yes. Complete medical, social and functional assessment information is taken into consideration. For many years we also had a review committee, which provided another level of processing of that information if there was any lack of clarity about what was going to be in the best interests of that applicant. We hung on to it for a lot of years when it was not part of government recommendations, because we felt that was critically important. We did lose that a few years ago because of funding. One thing I notice that is good is that this review process is back in this new bill. We feel that it is important.

Mr White: The process is back, but the criteria—the social, the familial, the cultural, the religious—people are continually criticizing us for their absence.

Mrs Kelley: Yes.

Mr White: Of course, if you put five of those factors down, there will be a sixth or seventh that people will mention as being absent and of course critical. Do you think some of those factors should be included?

Mrs Kelley: I think you can only legislate holistic assessment very generically. If you have the proper professionals on that committee who are sensitive to all of the factors, that will be brought into play. I think it's very hard to legislate sensitivity.

1040

Mr White: Indeed. Thank you very much.

Mr Randy R. Hope (Chatham-Kent): You mentioned time and motion. I'm taking the time studies that you've been looking at and I'm wondering who the individuals are who are performing the time studies in that

area. I've been trying to find it in the information. I'm wondering, I noticed—

Dr Steven: No. I'm suggesting that a time-and-motion study be done prior to even implementing this Alberta patient classification tool, because if you look at the Alberta tool, it's not a time and motion; it's self-recording. When people are doing certain things, they record everything they do. Well, I don't know about you, but I try recording everything I do and I work 14 hours a day and I miss a lot of stuff. What I'm saying is that we're suggesting time-and-motion studies be done.

What I did for the Thunder Bay Homes for the Aged is that I hired one of my students to observe skills being done during either direct or indirect activities—"direct" nursing care with a patient or "indirect" such as charting, and that time the time-and-motion study was done. I have that full report, if you'd like to see it. It's another document.

Mr Hope: I was just curious. I'm taking it that you've had adequate time to supply because you've got a lot of information here. But I was just trying to figure out—because I think you mentioned that in one of the hospitals you're doing time and motion.

Dr Steven: We do time and motion every time I implement a patient classification system, a staffing system that I've developed. I always go in and I always do a time-and-motion study to assess the baseline for bathing, personal care, charting; every single activity is looked at.

Mr Hope: And the credentials of these individuals doing the time and motion?

Dr Steven: They have baccalaureates and I supervise them.

Mr Hope: Okay.

Mrs Fawcett: Thank you for your very comprehensive document that you have left us with today. I think that is going to be just invaluable in our discussions and just our own knowledge. You spoke of further documentation that you could provide us. I think it would be very helpful if we could have that at some time.

Certainly it comes through loud and clear that you are very concerned about the Alberta-style patient classification system. We were led to believe that possibly this had been tailored for Ontario, and I don't take from your comments that you see that has happened at all.

I wonder if you could just enlarge a little further on what you see wrong with what's going to happen if we go full bent with this Alberta tool. Do you see then, as a result, using this for the funding formula? Will there have to be changes, structurally and physically, to the institutions to then provide for patients who would be placed in the institutions? Are we ready for what could follow? I guess that is what I'm saying.

Dr Steven: Just to answer your first question about the Alberta patient classification, I don't know what led you to believe that this system was tested in Ontario. I would love to see the documentation that it has been tested here.

Mrs Fawcett: Well, we were told by the ministry that it had been tailored to fit Ontario but that it was changed slightly.

Dr Steven: I've worked with the system in Alberta and I don't see any difference from what it was in Alberta to what it is here now. That concerns me because, when you look at what's being assessed in terms of this patient, they're not taking into consideration really how long it takes to give medications; they're not taking into consideration how long it takes to bath a patient. I can tell you in some cases it's one and a half hours with two nurses for total bathing care of that patient.

My girlfriend was the chair of that committee in Alberta that developed this tool. She's a pharmacist. Some of the nurses who were on that committee that developed this tool haven't been near a nursing station, I assure you, in 10 years. So that concerns me when we have this type of system being developed and used here when we haven't done our own, not a provider activity study which is self-recording but an actual time-and-motion study to see what the actual time needs of the patients are.

It really concerns me when it comes to funding, because we're going to be staffing these facilities and our reimbursement systems are based on it. How can you have a system that's not doing what it should be doing, that's not valid, that's not even reliable? We have people coming in classifying who don't even know how to classify and won't even listen to the staff. The staff out here now know how to classify, they do, and they're not listening to them. So we're going to have actual implications in terms of funding.

You're going to have an agency that's underfunded even though it has got very heavy care patients, because somebody said: "Well, if that patient's in a wheelchair, okay, we can't count him at this level. We have to count him at that level." They don't even know what they're talking about. I don't know what their qualifications are, but I can assure you, I'm doing a time-and-motion study, and I have a PhD. I've been trained in Alberta. I've been trained in these systems. I've been classifying since 1968, and I know that this system is not working and it won't work.

Mrs Caplan: Again, I want to thank you for an excellent brief. You say on the front page of your brief, "I leave you with this message," and I would like to read it into the record:

"People who receive long-term care and support services do not want to sacrifice their individuality or dignity, and they want to participate in determining what services they require and how they are provided. People must have confidence that the services they require will be available and provided in a way that responds to their unique needs."

That came from the public consultation paper in October 1991, and I don't think anyone around this table would disagree with the principle inherent in that statement, and I want to thank you for pointing that out to us. At the same time, by leaving us with that statement, you're implying that this legislation does not achieve that goal. What we've heard is that in the areas of choice, in the areas of intrusiveness, you feel that it particularly fails to meet this test.

Your colleague said that you cannot legislate sensitivity; I also believe you cannot legislate cooperation. In order to achieve the goal as stated in the consultation paper, you've outlined a number of recommendations. If you were to highlight as a priority those that might accomplish the kind of—and I thought you said it quite well—quality care in a cost-efficient and effective manner, which are the ones that you believe are the most important changes to this piece of legislation to accomplish that? That's a big question.

Mrs Kelley: Because I'm not a legislator and I'm not familiar with all of the aspects of creating legislation, which I know is a very complex and challenging task, I would only say that for Thunder Bay the legislation needs to reflect the opportunity for communities and regions to develop models or functions or systems that meet the principles that are inherent in the legislation but without the structures and the policies and the procedures being imposed.

I think we have demonstrated we can do it, and if it's not broken, don't fix it. Support us and we will continue to develop a model that will work in our region. If other communities are unable to cooperatively come up with that, then another method needs to be perhaps implemented to assist them with that. But because some communities can't do it, don't impose on the whole province a way that won't work for us.

Mrs Caplan: What I'm hearing you say is that this legislation as it stands is not flexible enough.

Mrs Kelley: Yes, I would say that's true.

Mrs Caplan: You think it's too intrusive and that it's possible to have more local control and local decision-making while still having public accountability, that those are compatible and that this legislation could be amended to reflect that?

Mrs Kelley: Yes, I agree with all of those things. Would you, Darlene?

1050

Dr Steven: Yes, and I would—could I just—

The Chair: I'm sorry. Could we weave that into the next one, because I want to make sure we get equity in our questioning. Mr Wilson.

Mr Jim Wilson: Perhaps in response to one of my questions you can continue your thought there. You provided us with so much information in a very comprehensive way and I'm very grateful to you for that. I just wonder, before starting into my real questions, have you had discussions and been able to share this information with the Ministry of Health? You have extensive experience.

Dr Steven: Yes. All these documents—the documents with regard to procedures, the documents in terms of review of the patient classification system, the Alberta tool—have been shared with professional associations, the College of Nurses, all the community agencies in northwestern Ontario.

Mr Jim Wilson: The ministry.

Dr Steven: The ministry, of course, yes, several times.

Mr Jim Wilson: But you sound frustrated.

Dr Steven: I'm very frustrated, because I made recommendations two years ago. I said, "Please let us develop this patient classification system and work on it and do time-and-motion studies before implementing it." All of a sudden it's implemented, and it's not only implemented in homes for the aged, but they went into the chronic care facilities as well. Nobody was expecting this, and they're saying this is the be-all and the end-all, and it's published in a journal and says that this is the best tool, and it's not. I'm publishing a response to that. I hate to criticize it, because it is one of my professors who helped develop it, but I don't think it's meeting our needs.

Mr Jim Wilson: Do you think the government's approached this in too much of a piecemeal fashion? I mean, we don't even have the chronic care role study.

Dr Steven: I haven't seen anything. I thought they were going to implement it very slowly, like, take their time, okay? If we're going to adopt a tool from somewhere else, you don't just bring it in and blast it in and say you're going to use it. You bring it, you talk to people, you implement it, you educate people. It comes slowly, you start evaluating it. You don't put it all through the province; you do a pilot study in one region. We'd be glad to be the region that tests it out.

Mr Jim Wilson: You mention in your general comments that the way this legislation is worded, it appears that anyone can go in and provide health care services that normally would be provided by a professional.

In tab 1 you talked about an appeal process. There's one for consumers but not one for agencies. In fact, there's a penalty if agencies don't accept the admission. I'll take into account the need for an appeal process; perhaps my party could introduce an amendment to that. But secondly, in your view in reading this legislation, who does the pre-admission assessment as this stands? Who should be doing it?

Dr Steven: Mary Lou, do you want to take that one?

Mrs Kelley: I guess I don't know who, according to the legislation, is doing it. I think the people who should be highly involved in gathering information are the people closest to the person needing and wanting service, because they are the ones who are going to be most intimately aware and knowledgeable about what is happening. That's very much the way the system works now with PCS, that the people closest to the family collect the information and then it is passed along from there.

Mr Jim Wilson: Continuous quality improvement programs: The bill speaks to quality assurance. Has the wording of the bill just missed the mark?

Dr Steven: Yes. You're outdated.

Mr Jim Wilson: Yes. We're behind by a few years, I gather.

Dr Steven: It's changing so rapidly, because within the last year all of a sudden we have been stormed, and I mean literally stormed, by some articles that we must implement. It is called continuous quality improvement, continuous quality management. They've got all these different buzzwords for it. It's quality assurance, but quality

assurance adding risk management. So now the facilities have to account for all the different infection control and incident reports and medication errors and high-risk situations, and we're all going to need talking, walking computers with us to be able to input all these data that are going to be needed in the future.

Mr Jim Wilson: I have a really quick question on what is, I think, a very important part of your brief. I know the Chair's going to cut me off, but you talk about the comprehensive multiservice organizations, and actually in tab 5 you mention some of the comments from the VON, such as: "The CMSO model would result in a monopoly that would seriously limit consumer choice," "The CMSO would devastate volunteer agencies and volunteerism in Ontario," "The CMSO would reduce, not improve, cost-effectiveness," and, "The CMSO moves too fast without adequate thought to adverse impacts."

Those are very strong comments. In fact, that's the strongest language we've heard with regard to the multiservice organizations. Do you want to take a minute and elaborate on that?

Dr Steven: I'm elaborating on it because I've been in Alberta and I think I've seen non-profit organizations completely closed because somebody said they weren't cost-effective, but nobody ever proved they weren't cost-effective.

It bothers me that we're implementing models without taking into consideration—I don't want to steal this from under the Victorian Order of Nurses, because I know they're here and I think they should elaborate on it. I really believe there are alternate models to explore in this model. Let's evaluate them one by one. We could be a pilot study for our community, which works together and has different agencies, everybody working closely together, going out and trying it out.

Mrs Kelley: Could I make an initial quick comment?

Dr Steven: Go ahead.

Mrs Kelley: For the last couple of months, provider agencies, both profit-making and non-profit public agencies, have been voluntarily working together to try to examine how we, in terms of community-based care deliverers, could become more coordinated and provide the functions that need to be provided in a more integrated, cost-effective way.

What we are trying to do is establish a community mission statement for long-term care that all the providers subscribe to. We're trying to examine the functions that need to be part of the care delivery system in the community. Then we are going to look at what the implications of those two things are for models that would work in our own community.

This is work in process, but it is definitely an example of the fact that we as a community are committed to all the values and functions but want to work through what that would mean for our own model. I think we can do that.

Mr Jim Wilson: Your model would give out some explanation as to how district health councils, for example, fit into all this.

Mrs Kelley: Absolutely, because we acknowledge the district health council as having been given the mandate for planning in long-term care and in fact are working with its support.

We've had meetings with the long-term care committee of the Thunder Bay District Health Council. It is in full support of enabling the community to undertake a process where we will in the end make recommendations to it as to how our version of a coordinated multiservice function would look, never mind a bureaucratic structure. We're not yet of the opinion that what we need is a bureaucratic structure. Maybe we just need to re-examine the functions and how they can better be integrated.

The Chair: Thank you very much. You've given us a great deal to reflect on. Again, and a number of members have mentioned this, we do thank you for what obviously has been a tremendous amount of work in terms of all the documents you've brought before the committee. So again, thank you.

Dr Steven: I would just like to say it's been a privilege to be here. If you have any questions, my card is in the manual.

PINECREST HOME
RAINYCREST HOME

The Chair: Could I then call on our next presenters, the representatives from Pinecrest Home and Rainycrest Home. Would you be good enough to come forward. Changing of the guard here. Gentlemen, welcome to the committee. Would you be good enough, first of all, to introduce yourselves to the committee and for Hansard.

Mr Kevin Queen: I'm Kevin Queen, the administrator of Pinecrest Home in Kenora, serving the district of Kenora. This is Fred Whitehead, the administrator of Rainycrest Home in Fort Frances, and Gord Armstrong, who is the chairman of the board and the mayor of Rainy River.

The Chair: Please go ahead with your presentation.

Mr Queen: To begin with, we would like to thank you for the opportunity to address this committee. We would like to commend the province on the ambitious undertaking of bringing together several different acts to provide a more consistent and structured approach. We are pleased that quality assurance plans are included in the proposed legislation, but we have some concerns about how that will be actually implemented.

We agree with the principle of a placement coordinator. However, we do have concerns about how this function will operate. Geographically, will the coordinator be accessible to both facilities and applicants? Will freedom of choice of facility and services be available for the consumer? Will the facility have the right to refuse a placement for just cause; for example, the safety of other residents?

1100

We'd like to apologize in advance for any assumptions or misconceptions we have made as we have not had a lot of information to work with. Whatever direction or form the new legislation takes, we would respectfully request sufficient time and training to smoothly implement the changes.

Regarding inspections, I remember a speech made at an OANHSS, or Ontario Association of Non-Profit Homes and services for Seniors, conference a couple of years ago, when assurances were made that proposed compliance inspections would not be like those conducted in nursing homes, but would rather be more constructive and supportive in nature. I see evidence of that in the long-term care facility programs and service manual, where it is stated, "Consultation will be used by division staff if unmet standards and criteria have been observed in the facility and the facility has attempted to, or is in the process of, initiating corrective action." However, we see no evidence of this approach in the legislation.

Currently, homes for the aged undergo frequent inspections. Annually, we have health inspections, fire alarm inspections, fire safety inspections, elevator inspections, boiler inspections and inspections by the public inspection panel, also known as the grand jury. In addition, we undergo annual financial audits and periodic operational audits. Our program supervisors visit regularly and discuss problem areas and bring in expertise such as nursing consultants when felt necessary or requested by the home.

The homes are governed by community boards with provincial representation to review the results of all inspections. All written complaints or concerns of residents and families are reported to the boards. Each home has a residents' council, and minutes from their meetings are also provided to the board.

Our question is, do we really need another level of inspection when we already have boards of directors?

The proposed legislation speaks of controls and penalties for non-compliance or obstruction. In addition, the legislation protects the placement coordinator, the board of appeal and the inspector if they have acted in good faith. Should not the legislation also protect the facility from sanctions should it be deemed to be acting in good faith? Should not the legislation provide for an appeal process by the facility?

I've been involved in this industry for the last 14 years and I've seen throughout that time a growing spirit of cooperation and trust between the province and facilities. I feel this legislation, full of controls and sanctions, is a backward step that threatens the excellent relationship that currently exists.

Regarding funding issues—and I'd like to discuss some funding issues that are pertinent to homes in the north—how will the new legislation deal with unorganized territory and native residents being funded by Indian Affairs? Currently, native residents with treaty status are fully funded by Indian Affairs.

I want to discuss a situation that affects Pinecrest directly right now. About three years ago, Pinecrest had over 24 native residents in the home. In current dollars, we would be receiving about $36,000 per year per extended care resident from the Department of Indian Affairs. Today, Pinecrest has nine native residents, which represents a dramatic decrease in funding from Indian Affairs. To stay within the funding base, I've laid off 4.5 full-time, non-union positions and eliminated by attrition 3.5 full-time union positions.

Annualized, this represents about $250,000. However, this amount has been eroded by a 25% increase in registered nurse salaries as well as significant increases in most benefits for staff. The province has provided some additional base dollars to address this situation. Admittedly, this effect can work both ways in that if I receive more Indian residents, my funding is going to be assisted.

Will funding under the new legislation be flexible enough to address this issue?

Throughout this exercise, our care levels have increased. Where the average age of residents in the province is 83.9, the average age in Pinecrest and Rainycrest is over 88. If the level of care funding is provided as promised, there will be no problem. However, funding is based on funds available. Both homes could be caught in a bureaucratic squeeze of not having sufficient funds to provide the required care. The question is, if an inspector comes in, looks at our staffing levels and our care levels, given some of the situations I just described, where does that leave us if he or she says, "You have to get more staff or you'll be sanctioned"? There is no funding available for it.

Will the new funding formula recognize the additional costs faced by northern homes?

Heating costs are much higher than those in the south, and because of the extremes in our climate we also have to air-condition in the summer. We have 40 below in the winter, 90 above in the summer, and in between is a very small window. It just swings back and forth. Our travel costs are much higher here as well. If you review your travel costs to attend this hearing, you will see what I mean. We had to travel over 500 kilometres to attend. Where else in the province did facilities have to travel that far to make a presentation?

The new health and safety legislation requires at least two certified health and safety committee members, which will require from one to three weeks of training. For both homes, that means travel expenses and lodging expenses as well as wages, because the training will not be available in Kenora or Fort Frances. We have the additional cost of having to lodge them somewhere either in Thunder Bay or wherever they have to get their training, and that goes for any kind of training that's required.

I would hope that the legislation is sensitive to these issues.

Mr Gordon Armstrong: As a municipal representative, I represent seven municipalities on the board of management. I've served on board of management for 10 years now and this is my fourth year as chairman of the board, so I've spent a lot of time and a lot of effort to make our home a place where people would want to live.

I represent seven municipalities, and as I talk to people in these municipalities, I find that they are totally ignorant of what the changes in Bill 101 would do to them.

We are made up of a board that represents different areas in our district and we have to make a report back to each one of the municipalities. We believe we are responsible people doing a responsible job.

Looking at Bill 101, I see the role of the board much reduced and the inspector will be dictating policy. This new inspection, in the minds of municipal people who

share in the funding of municipal homes, is totally unnecessary and a waste of tax dollars.

Question: Will the municipal board have any control of service contracts? Will we have any input, or will we just be told what we must do? As a board member, what will my purpose be for sitting on that board? This new inspection system seems to take all grass-roots authority away and people will suddenly be treated on a scaled numbering system.

As I stated earlier, the boards in municipal homes are responsible people. We realize that to bring together seven acts under one act is a major job, and we do commend you for the efforts that are being put forward to streamline this process, but we just want to be heard, as boards, that we are responsible people and we don't understand quite what this new system is trying to impose upon us.

The Chair: Does that complete your presentation? Thank you very much. We'll begin the questioning with Ms O'Neill.

Mrs O'Neill: Thank you very much. I have a lot of questions, because you have brought a different aspect to us.

You talked about the appeal of facilities, and you threw out the phrase "the safety of other residents." Would you like to say a little bit more about what that means to you?

Mr Queen: I guess Fred would have more effect because of the integrated nature.

Mr Fred Whitehead: In a situation like that, if we have not got the right as a home, in consultation with our medical director and our nursing staff, to refuse—my understanding with the PCS is that we will go to them and they will tell us, "This is your resident that you bring in."

Mrs O'Neill: It seems to be the present understanding.

Mr Whitehead: Basically, probably all we would do is say it's a male or female, depending on our environment.

I have two concerns. One, if the person happens to be a person who at the outset would not appear to fit in with the environment, that is, we don't have the facility that can facilitate taking care of an extreme psychogeriatric patient, we don't have the right to refuse is my understanding, to begin with. We also don't have the right to discharge that resident. I don't see any provision in the act whereby discharge is available, and it was in the old act. I had a situation very recently where we had to discharge to a psychiatric facility because it was endangering other residents within our facility. We become liable and yet there's no provision there where we can cover that. That's my main concern with respect to it.

1110

Mrs O'Neill: I'm really pleased you've come forward. I'm sorry, sir, I don't know your name. I think it's really important that municipal officials make their statement. Could you say a little bit more to us about how you see the role of municipalities changing if there is not some provision regarding service contracts? Could you compare what you see as the present to what we now see on the horizon as a possible future?

Mr Armstrong: I think the board has to be able to sit down and have input into the service contract. Not all homes are totally alike and to just put a blanket service policy out there and say everybody's going to fit in, I think you might find you're trying to fit a round plug in a square hole quite frequently. As stated earlier, as boards of management, we're responsible to a lot of people out there in the district and I think you're taking all the powers away from the board and putting it on to the shoulders of one person. I can't see that being good for the management of homes.

Mrs O'Neill: Thank you very much. I've got a second?

The Chair: You have a second.

Mrs O'Neill: Could you say a little bit about the role of residents' councils as you see them changing with this new legislation, or do you just want to talk about how the residents' councils operate now and the fears you have about what may happen to them in the future?

Mr Queen: Basically, I don't know what will happen to them in the future because we're guessing about a lot of the effects of the legislation. We don't have a lot of information, but residents' councils presently act in a way as advocates for all the residents in the home. Their minutes and their concerns raised at their meetings are delivered to the board for consideration, so there already is a vehicle, and in a sense it's a quality assurance tool built into the system.

I don't know if the new inspection process will take over all aspects of either resident input from residents' councils and the management and board of the home. We have nothing but just the proposal of what's going to happen but no real information about how it will be deployed. So I guess we're kind of at a disadvantage arguing about it or discussing it. We don't know what's going to happen. We have no information. We feel there are a lot of controls in place right now.

Mrs O'Neill: Thank you for bringing your doubts and concerns forward.

Mr Jim Wilson: Your worship and administrators, thank you for the presentation. As Mrs O'Neill pointed out, you bring forward a couple of new aspects. You mentioned that the average age of residents in one of your homes or both your homes is 88. What's the average age of admission?

Mr Whitehead: I would have to say that now the average age of admission is probably—because we do have some younger residents, some who were underage residents who were submitted under the old act with permission of the minister—in the late 80s.

Mr Jim Wilson: I ask that because we've had evidence from other homes throughout the province that under this new regime you could see a tremendous influx of older and sicker residents. You'll not be given much choice over who is assigned to your home by the placement coordinator, according to the way the act is written anyway; we'll have to see what the regulations say.

I think the Gerontology Study Group alluded to it in its brief in terms of, with an annual classification system, there may be lag time between the levels of care you must provide to an incoming resident and when funding will

catch up to the level of care that must be provided. I hope I'm making myself clear. You know what I mean, anyway. We've also had evidence presented to the committee that this isn't the case, that the case mix doesn't vary that substantially year over year and that there won't be a tremendous influx of needier residents and funding will keep up and an annual classification is sufficient. Do you have any comments on that?

Mr Queen: In the last two months in our home, because of the higher level of acuity that we're facing, we had 15 residents pass away, which is a dramatic increase. It was not a group death or anything else; it was various causes. Our average age of admission has been in the 90s in our case. In the last week and a half we've been bringing people in who are 91, 92 and 95. So we find our acuity is increasing every month. It's getting higher, so much so that the nursing staff are quite concerned about their ability to sustain any higher levels of acuity. We're having constant discussions about it. Because we're kind of in limbo: Are we going to get level-of-care funding? If so, we might be able to ease the pressure by getting additional support staff to deal with it. If not, then we have to look at that aspect as well. That is a concern, but the acuity is increasing all the time.

Mr Jim Wilson: Can I just ask your opinion on this? Do we really have levels-of-care funding when the pool of money is already set by the government and yet you'll be expected to provide levels of care as per the classification system?

Mr Queen: I would say not. In my estimation, we're going to just be continually strained. That's our concern. An inspector comes in and says to us, "You don't have sufficient staff to deal with what you've got," but then we have the PCS saying we have to take these people because they're on the waiting list. Like I say, I feel we're kind of getting caught between a rock and a hard place.

Mr Jim Wilson: You'd like to see some flexibility then.

Mr Queen: I would like to see level-of-care funding, because then it becomes a moot point. If you have the care level, then you should get the funding to go with it.

The Chair: I think, your worship, you wanted to add a comment.

Mr Armstrong: Yes. At Rainycrest Home we have 40 people on our waiting list. It varies up and down a few percentage points, but it averages probably around 40. As Fred has said earlier, the average age of somebody coming in is 88. In my community, I have people coming to me and asking me: "How long is the waiting list? How long will I have to wait before I could possibly get into this home?" When I tell them a year, a year and a half, some of them walk away shaking their heads and saying, "I'm not even going to bother putting my name in, because my mom or dad will die before they get there." That's a real problem.

Mr Jim Wilson: If I may just ask your worship: You mentioned that you feel the inspection system takes away grass-roots authority, I think, was the line you used. I'm very worried about this because I come from a county system where the county runs the homes, Simcoe county. They are essentially volunteers on the board and morale is terrible at the moment. What's the effect been up here? They really do feel that Big Brother is stepping in and sort of taking over and telling them that somehow government knows what's best.

Mr Armstrong: I think that's what the board feels is the case as well, that we've been doing this job, and in the case of myself, I've served on the board for 10 years and I have learned a lot in those 10 years about the home. We have a good staff and I think we do an excellent job. All of a sudden an inspector is going to come in and he knows more about our district and he knows more about our people? I find that very difficult to comprehend.

Mr Jim Wilson: Just for the record, have you had complaints about accountability, that somehow the council of the municipality isn't accountable to the people it serves?

Mr Armstrong: The board has an annual meeting every year and we invite all the people to come and the municipality to come. They come out in full force, they question us very strongly and we feel we are responsible to the people out there. They get a copy of our minutes every month and they have access to their board member. So I think we do provide the grass roots through our board member structure and we are responsible.

Who is the inspector going to be responsible to? I think there are lots of questions that concern us. Maybe we are ignorant of what the duties of the inspector will be, but I think that's maybe another problem that we're facing. What duties will this inspector have?

Mr Wessenger: I would just like to clarify a few items. I have a question, first of all, with respect to the input of local boards. As you may be aware, there's the provision-for-service agreements, and of course their schedule's attached to the service agreements, which will be a matter of negotiation, and of course the board will sign that service agreement with the ministry. So I would suggest that there certainly is very much a role for the board to continue as it always has, in both setting out the parameters of service so that it will be delivered and the negotiation of that service agreement.

1120

Secondly, with respect to the question of whether there will be a right to refuse a patient, there are provisions that there will be regulations put in that will set up the circumstances in which a patient may be refused. Of course, the basis of that will be whether the facility is appropriate. Does it have the appropriate services available to service that patient? So I think I'd like to assure you that, yes, you will be able to refuse on the basis of those criteria.

Thirdly, with respect to your concerns on the inspection process, what is going to happen there is that the staff of the Ministry of Health and the Ministry of Community and Social Services, who presently work with both the nursing home sector and the homes for the aged, will be combined, and the approach that has been developed, which is an approach of compliance advisers and program supervisors, they're going to work as a team, and the emphasis will be on consultation, collaboration, supporting the

facility in its quality management attempts, so I'd like to be clear that there's no change in philosophy at all. That philosophy will be continued.

But the question is, surely at the end of the process, after all those efforts have been made to correct a problem—it may never happen, for instance, in your sector. It probably wouldn't happen because of the responsibility of the board. Surely, though, there have to be some sanctions at the end, as a last resort. Wouldn't you agree with that?

Mr Armstrong: I thank you for enlightening me on a number of areas, but I would just ask, where is this information? As a board member, I come here and you're telling me information that I have had no access to before I got to this table.

Mrs Caplan: Right on.

Mr Wessenger: I think what you're saying is there should be more communication. Is that right? Would you like more communication?

Mrs Caplan: A lot of unanswered questions.

Mr Armstrong: That's right.

Mr Queen: Furthermore, you mentioned that the philosophy of support and consultation is intact and is alive and well. I see no evidence of it in the legislation.

Furthermore, in the concerns about the obstruction aspects, working in the home for the years that I have, we have never held back any information from anybody who had the authority to have it. We've publicized our financial statements; we've shared them with whoever wants them. Any program supervisor had complete access at all times. There's never been any concern. Yet not only do we have a clause that talks about obstruction, but we have a penalty clause that goes right beside it. If that's the philosophy, I don't see it being reflected in the legislation. I see very, very—

Mr Jim Wilson: Very indiscreet.

Mr Queen: Exactly. I mentioned I cut back those staff positions. I did that with full cooperation and consultation with the union. I received not one grievance, discussing with the union at all stages of it. They did that and cooperated with me. I've got to tip my hat to the unions, because they're very, very scared—and I don't blame them—but I did not receive one grievance concerning the reductions. In every case they had to pick up the slack, but it was done through full consultation and full information. I do not believe that the people running the organizations have been treated the same way by this legislation at all. I'm sorry.

Mrs Caplan: I hope the government is listening to the points you've just made.

The Chair: Mr White, you had one last question.

Mr White: You've been running under the governance of the municipality, the residents' council, a network of responsible governors. During that time since your homes for the aged were established, how often have they been inspected, with an inspector from the ministry coming out?

Mr Queen: In my case we've had an operational audit. We've had a nursing consultant visit on two occasions in the last eight years. That's from the ministry side. As I mentioned earlier in my presentation, we've had ongoing specific inspections every year as well, and the program supervisor unofficially inspects in a way by coming and discussing issues and concerns.

Mr Whitehead: Part of the program supervisor's responsibility, it is my understanding, is to inspect our facility both financially and otherwise to see if there is anything that is called out of the ordinary. As a result, then, we work in collaboration with them to either bring consultants in to assist us to upgrade whatever may be below standard.

Mr White: When you talk about that relationship with the program supervisor, that's an ongoing relationship?

Mr Whitehead: Yes, it is.

Mr White: What's that relationship like? Is that something which is fraught with difficulty? Do you find him or her to be intrusive?

Mr Whitehead: No, I find it as a supportive one.

Mr White: You find it to be a supportive relationship?

Mr Whitehead: I'm sure that Kevin would echo my statement too. We have not had problems, at least in the northwest, that I'm aware of with program supervisors. They've been more than cooperative and supportive. I would say that perhaps when it goes beyond their level, maybe they have some problems and it's frustrating for them at times, and we understand that, because of restraints and other things.

Mr White: In my area—I used to work at a home for the aged in Durham region—they spoke very highly of their program supervisor, who's changed his job and now is associated with this committee. But basically that person is fulfilling the role of the inspector, you're saying, and yet—

Mr Whitehead: I don't see it in the old legislation that he's doing that. I think it's the way the act brings it forth. It's borderline offensive in some respects when you look at the track record of the homes.

Mr White: Yet the legislation basically doesn't alter that role of the inspector. But you're afraid it will change.

Mr Whitehead: Well, we haven't seen regulations that would show where it's tempered at all.

Mr White: Okay. Thank you.

Mr Queen: I think it's the punitive nature of the role of the inspector in the sense of heavy reliance on sanctions and actions to be taken if there's non-compliance. There's no discussion of a supportive, consultative role within the legislation. I guess that's where the concern is. The way it reads, it reads very offensively, and it seems to say that it's all been done wrong all along; now we have to correct the problem.

Mr White: I'm just suggesting that under the initial legislation it is just as offensive, but the way it's worked out in practice has been, as you suggested, supportive.

Mr Queen: I don't know in the old legislation all the areas of concern, like where they bring in sanctions and whatever else. They have several areas where you have to get permission from the minister, but I don't see the punishment aspect in the legislation, as it is in this proposed, and

that's a bit of a concern. It's like carrying a big stick. There's no carrot in this legislation.

The Chair: Mayor Armstrong, gentlemen, we thank you very much for your presentation. In particular we thank you for coming from Rainy River and Kenora to bring these views to our attention.

Mr Queen: By the way, one last note, on the way, just past Ignace, I narrowly missed hitting a moose. That's just one of the hazards we have up in the north. Fortunately the moose survived, but I don't think I'll ever get the stain out of my car seat.

The Chair: We're glad you all survived.

VICTORIAN ORDER OF NURSES, THUNDER BAY AND DISTRICT BRANCH

The Chair: If I could then call our last presenter for this morning, the Victorian Order of Nurses from the Thunder Bay district, if you would be good enough to come forward. We have a copy of your submission, and once you've made yourselves comfortable, if you'd be good enough to introduce yourselves for the members and for Hansard. Thank you. Welcome.

Mrs Harriet Laudadio: I'm Harriet Laudadio, the executive director of the Victorian Order of Nurses, Thunder Bay and District Branch, and this is Donna Opie. She's the director of the home care program.

As an introduction, I'm just going to give you a little bit about the Victorian Order of Nurses, Thunder Bay and District.

The Victorian Order of Nurses of Canada is a national, not-for-profit, voluntary health care organization. VON understands the need to put caring first: caring through all stages of life and for the best quality of life, whether it be in the community or an institution.

The Thunder Bay and District Branch of the Victorian Order of Nurses has been in existence since 1898. We are located at 405 West Isabella Street in the city of Thunder Bay, with several satellites in the district ranging 350 miles. We administer the home care program as well as the nursing programs. We have 129 staff, consisting of registered nurses, registered nursing assistants, case managers, physiotherapists and social workers. We have 25 clerical staff and a team of nine managers. We service approximately 1,800 clients at any given time.

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Our volunteer board of directors brings expertise, specific skills and commitment to our branch. They represent various community groups and serve as board members because of an interest and a desire to serve the community. The responsibilities of the board are financial and strategic planning as well as policy development.

One of the programs that we offer in the nursing department is the visiting nursing program, which offers general nursing care, palliative care, mother and child support, IV therapy, extended care nursing, anti-nausea program, not for admission, and we have suboffices in Manitouwadge and Marathon.

We have foot care clinics, a VON adult day centre for respite care, occupational health and safety through Bell Canada, school medication programs and we also do paramedicals for some of our life insurance.

In our home care department, we have three divisions: home health care, an integrated homemaker program and the school health support service.

The philosophy of the Victorian Order of Nurses is that all Canadians have the right to comprehensive and compassionate health care and to participate fully in their health care. The goal of the VON service is to promote health and independence and to enable people to live in comfort and with dignity. We continually develop new programs and services to meet the needs of the residents in Thunder Bay and district.

Our historical involvement in this community therefore necessitates that we speak to you today regarding the implications that Bill 101 will have for our health care system and our community as a whole. The concerns that we are addressing are fragmentation of planning, consumer choice, community linkage and appeal process.

Fragmentation of planning: The legislation is truly a very small part of the whole long-term care system, albeit a very important part. The government, in moving ahead on Bill 101, has sent a message that it is still more interested in institutional care than in developing health promotion and community care options.

Today in Ontario the resources allocated to institutional care, for example, chronic beds, extended care beds and residential beds far exceeds resources allocated to community and in-home services. By proceeding with legislative changes for facilities before developing and publicly debating the policy framework for long-term care redirection, government is reinforcing the status quo institutional bias.

By moving ahead with facility legislation outside of the long-term care policy framework and prior to local district health council planning, the government is not supporting its own direction for a strategic, policy-based approach to the health care system based on consultation.

The legislation allows the government to designate the number of beds, to require certain types and capacities of beds for certain levels of care, service, programs etc, but does not reference these requirements in terms of any planning process provincially, regionally or locally.

VON recommends that the legislation be deferred until a policy framework is released and debated and that the district health councils' planning for long-term care be referenced in legislation in terms of the designation of numbers and types of facility beds.

Consumer choice: Bill 101 allows for direct funding grants to the physically challenged, ensures consumer access to key information regarding facility services, care, accommodation and consumer knowledge of care plan, and it allows for an appeal process regarding eligibility for service.

While supporting the incremental changes proposed to protect and increase the involvement of the consumers in their care, VON believes that the tone of the amendments is incremental and not comprehensive and could be interpreted as paternalistic rather than empowering. VON recommends that consumers have a choice of whether to receive needed services in a facility or community setting within

an envelope of available resources; in short, that the consumer have the choice of service location.

Thunder Bay has an excellent model for placement coordination service, and we support the concept of expansion of PCS province-wide, with the provision that the coordinators will provide the consumer or his surrogate decision-maker the choice of service location.

Community linkage: Provision has not been made for consumers to move from community to institution to community with ease in order to meet their short- or long-term needs. While there may be several agencies providing service to a client, the system can be managed to ensure that the service delivered to the client is seamless. To accomplish this, the service providers would need to look at creative ways in which they work together towards a common goal.

Regional responsibilities should include specialized nursing service planning, for example, geriatric assessment and specialized rehabilitation resources, while local planning should include the continuum of care from health promotion through rehabilitation at all locations of service delivery, for example, in home, community and facility based.

The use of a comprehensive multiservice coordinating body proposed by the government should provide direct consumer access as well as encourage creative partnerships within and between existing community agencies. In considering options for service delivery, it should be noted that VON is currently a multiservice agency. In order to ensure continuous provision to consumers of long-term care, VON recommends that the proposed legislation must include a linkage of community agencies.

The appeal process: VON supports the concept of the consumer having the ability to access an appeal process for those decisions in which he is in disagreement. In recognition of the consumers' right of self-determination, consumers should have an opportunity to participate in decisions affecting them. VON believes that more emphasis should be placed on the right of the consumer to be a full partner in the planning of care, including choosing the delivery model and the provider best suited to meet his needs and to be a partner in the evaluation of the service provided.

The appeal process documented in Bill 101 does not clearly define the location, the timeliness of the appeal or the financial responsibilities that may be delegated to these vulnerable individuals and their families. VON recommends that the appeal process for the client be simplified with localized access to the appeal board.

VON recognizes the need for reform and encourages a collaborative approach to planning and implementation of an enhanced health care system which will continue to provide a quality continuum of care within the limited available resources.

Thank you for giving us this opportunity to present.

The Chair: Thank you very much. We'll begin the questioning with Mr Wilson.

Mr Jim Wilson: Thank you for your presentation. I appreciate it. I think when it came to some of your comments regarding the multiservice organizations, you're probably being kind to the government and restrained in your written submission. I will get around to asking you a question on that, but I just wanted to talk about placement coordination and placement coordinators.

You made the comment that, in your view, the legislation has a bias towards institutional care, which of course would fly in the face of the Utopian statements made by many politicians in our so-called move towards community-based care. I use those words because I have some doubts whether this has all been thought through by this government or any other government.

The VON across the province has had layoffs. As Health critic for my party, the indication I get from many, many groups I meet with is that while there's a lot of speeches given about moving towards community-based care, the reality is we're restricting that sector. The deinstitutionalization dividend, ie, money that's supposedly saved from the 5,300 hospital beds this government has closed, should be being shifted to the community-based services, but it isn't. In fact, you're being cut back.

If you look at the manual that's being developed in conjunction with this bill, some have interpreted the eligibility criteria as being quite restrictive, that in fact placement coordinators may be acting as a choking mechanism and preventing people from being institutionalized if they want to be. Do you have any comments on that?

I could sort of see that it could go either way and I'm just trying to get straight in my mind whether there's a bias for institutional care in this legislation or whether there's another agenda which would be moving us towards community-based care without the accompanying funding—a pretty loaded question.

Mrs Donna Opie: I don't think we were addressing the fact that facility care is not needed. What we were addressing is the fact that community-based care is the final goal, yet the community, as we see it, as we operate in it, is not addressed. The bias is coming in first addressing facilities and then looking at the community.

Mr Jim Wilson: Would you agree, though, that the legislation and the manual send out mixed messages, given that the funding hasn't been moving as it should into the community-based sector? I'm trying to deal with reality rather than—

Mrs Opie: Locally we haven't had any layoffs.

Mrs Laudadio: We can only answer locally. Locally we have had no layoffs and locally we have grown a great deal.

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Mr Jim Wilson: But the VON—take eastern Ontario, take central Ontario—has had tremendous layoffs.

Mrs Laudadio: Yes, they have.

Mr Jim Wilson: You haven't had them locally.

Mrs Laudadio: We haven't had any in Thunder Bay and district at all.

Mr Jim Wilson: I wanted to ask you—on the comprehensive multiservice coordinating organizations or agencies or whatever they're called, I gather from page 4 of your brief that if I were to précis that, you view to some degree the CMSOs as a new level of bureaucracy, and that

may in fact be redundant to the services that you're already providing. Would you like to expand on that?

Mrs Laudadio: I can expand on that. We feel that if people understood basically what we do because—in Thunder Bay again; we can only speak on Thunder Bay. We do administer the home care program and we administer other programs within our nursing program as well, so we see ourselves almost as a multiservice organization now.

We work very closely with all the stakeholders within Thunder Bay. We work so closely even with PCS and all of the other stakeholders that we feel we are a multiservice organization and we could, instead of throwing the baby out with the bathwater, start with what we have. There's always room for improvement. We don't argue that at all. But there are certainly areas that we can improve; there are areas we can expand on. Give us the money. Let us work together with the stakeholders as a group within Thunder Bay and let us form our own organization.

Mr Hope: In your opening remarks you gave us an introduction and the address and that, but one thing I want to ask, are your hours 9 to 5, only five days a week?

Mrs Laudadio: No. We start at 8:15 in the morning and we work until midnight and we are on call all night. We service the area right out to Manitouwadge, which is 350 miles.

Mr Hope: You only work five days a week?

Mrs Laudadio: No, we work seven days a week.

Mr Hope: It's just that it's been brought up in a presentation this morning that some people are very selective in their client group and only working 9 to 5, five days a week. I just want to make sure that we're getting proper information through the hearings process.

You brought up an issue: it seems like the emphasis is on the facility. The announcement was also made in December, on December 2 I guess, about providing a more community-based service, and I'm hearing you saying that we should hold the legislation and wait to transfer moneys to the facilities until we get the community policy in place.

What do you think the reactions of those communities would be, because we just heard, before you came today, about the pressures that are put on those facilities in providing not the 68-year-olds but the 80-something-year-olds services now. How do you think they would react if we sat there and held back that money for a little longer?

Mrs Opie: One thing to be considered is the factor that before they're 88 they're at home, and our programs are the programs that are servicing them within their home. Again, our acuity is increased with their care in the home; they're needing more support within the home setting in order to stay there, so we're part of the whole.

I guess that's the issue we're trying to address. It's not a case of holding back from them or, "Don't give it to them," but to see us as part of the whole system. We see the facilities as part of our community. We see ourselves as part of their—

Mr Hope: If I hear you correctly then, what you're saying is still allow the allotment to go to the facilities but expedite the process so that the community-based services can be in there to cover up that—

Mrs Opie: So we can get in there and support them at that level, right.

Mr Hope: I'm just curious, because I share the same concern about the appeal process. Why do you think it makes better sense, community-wise, to have that appeal mechanism?

Mrs Opie: I think the three gentlemen before us just emphasized how important it is. We're well people who are travelling and we're finding it difficult. When we're talking about frail, elderly people of the age of 88 to 95, or their representatives, having to leave their community to travel, I think travel is a difficult factor in the north. If the appeals are held in January or February, that's an added factor; to get them out of their home and to the location is difficult.

Ms Carter: I would like to thank you for your very constructive criticism. I'm very aware of what my local Victorian Order of Nurses, Peterborough-Victoria-Haliburton, do and I know they're a great resource for the community.

I'm concerned about what you're saying about the institutional side being more benefited, because I know that is not the intention. The intention is certainly to strengthen community services, and I know if we look at the proposed allocation of funds, there's that magic figure of $647 million to be spent over three years, something like that, and certainly the lion's share of that is going to the community. In so far as it's going to the institutional side, some of that amount is to be made up by the payments for accommodation, the user fees. Some people will pay more and some people will pay less, but there'll be more money coming in there.

If, by having this legislation first before we bring in legislation as to community care, we're really going to jeopardize that balance, I think we need to know about that. I wonder if you have any further comments on how that might be happening.

Mrs Laudadio: It's basically what we were just saying. If you go ahead before we can all have some input into where the money should be going, if we're talking about one envelope or however we're looking at it, I think we have to emphasize that we feel all the team players should be there at that table.

In this case, we feel you've gone ahead with the homes for the aged and the nursing homes. What about the chronic care beds within our city? I think this is what we want to emphasize. What about the rest of the facilities or the organizations within our city? We feel that we all should meet together as stakeholders and plan more before you go ahead with this legislation. That's basically where we're coming from.

Ms Carter: It does seem to be a matter of timing. I know there is a study on long-term care and one on this as it affects native communities, for example, and we'll presumably know more about those in time.

I also want to comment on the seamlessness side of it. It's certainly my understanding that if somebody living in

a certain community really needs to go to a home maybe some distance away for ethnic or other reasons, that will be accounted for. There's no idea that there are sort of walls built around an area and that you can't assign people across those boundaries. I think that's quite clearly understood.

I also just wanted to mention that we do indeed have the Advocacy Act in place now, so when people have things to complain about, that they're not being treated right, that is a resource they now have, or will very shortly have, that I think will answer some of those problems.

The Chair: The parliamentary assistant had a couple of points of information he wanted to make just before we move on to Ms Fawcett.

Mr Wessenger: Yes, I certainly thank you very much for your presentation. I appreciate your comments and, as you may know, the policy paper is supposed to come out now at the end of March, which I hope will allay some of the concerns.

Of course, it's not clear in this legislation, but certainly as part of this seamless delivery of care it should be stated that the role of the placement coordinator will not just be to deal with institutional care, but will also be to deal with the whole question of community care and also with such other aspects as supportive housing in dealing with the consumer to try to explore all the areas of care that are available.

I thought I'd like to clarify that I know this piece of legislation just concentrates on the institutional side, only looks at the institutional role of the placement coordinator, yet down the road obviously it's going to be the whole continuum of care system that is going to be looked at. Would you agree that the placement coordinator has to have that function?

Mrs Laudadio: Yes.

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Mrs Fawcett: Thank you for taking the time to come here before us. I notice that one of the programs you offer is definitely around palliative care. I know the minister made an announcement on palliative care, but it was rather short on specifics. I think this is an entirely different focus in that it really focuses on the comfort of the patient rather than maybe a curative focus.

I'm wondering, has the VON been really involved in any discussions to assist in the formulation of policy? Could you give us some warnings as to what you would hope to see in such a policy?

Mrs Opie: We have membership on several local palliative care committees and within both departments of the program, between the home care department and the nursing department, addressing the issues through those committees. We have an in-house joint committee on palliative care. Palliative care has always been a strong philosophy of our programs to support people, should they wish to remain in the home. We have gone ahead locally with trying to provide some seamless care for palliative patients. We have in the process now, on trial, a travelling chart that would follow with the clients. We are trying to be progressive within the palliative care setting. We strongly believe in palliative care and are supported by other local programs.

Mrs Fawcett: Have you been asked by the ministry for any suggestions or any contributions?

Mrs Opie: No, not that I'm aware of.

Mrs Caplan: I believe there are a few minutes left for questioning. I'm going to ask you to clarify for Mr Hope, who has compared, in my view, apples and bananas, the difference between the important role that the VON plays and also—

Mr Hope: No, I just asked specific times. I just asked what hours they were and what days they were.

The Chair: Order.

Mrs Caplan: To be fair, you've mentioned in your paper the tone of this legislation as being paternalistic and not empowering. We've heard about it being intrusive and confrontational. The questions we heard from Mr Hope, I think, reinforce that kind of attitude and tone. That's my view. I'm asking you to clarify for him the different roles of all the players of the team who you'd like to see around the table, and perhaps mention the differences between homemaking and home care, which provides a number of different professionals in the home.

I think in order for the government members to understand the concept of the team, it might be helpful if you could describe what works in Thunder Bay and who the members of the team are.

Mr White: Talk about paternalistic.

Mrs Caplan: If you'd listen to what these people have to say, it might help in your policy development.

Please answer the question.

Mrs Opie: We do have access to our program 24 hours a day. Access to the home care program is basically between 9 and 5, and that is correct, but there are some emergency entrances into the system. Because we are administered through the VON, the VON nurses act as access for us on behalf of the home care program over the weekend.

The home care office itself is not open on the weekend, but certainly we work through the registry and through the nursing service to give people in the community access—calls are returned to them—and the hospital and physicians have access to the program through the nursing service through the weekend. We provide in-home-service care 24 hours a day. The office is not open 12 to 8, but we provide in-home-service care seven days a week, 365 days of the year if needed.

Mrs Caplan: Could you describe also the difference in the types of service provided, both the homemaking and the professional care at home?

Mrs Opie: The home care program provides professional services of nurses, occupational therapists, physiotherapists and speech therapists. We have on staff within the Victorian Order of Nurses the nursing service, the physiotherapy and the social work, which is a support service. We purchase services from for-profit organizations within the community for occupational therapy. For homemaking, we have both for-profit and not-for-profit. That's not only the city of Thunder Bay, but the whole district.

Mrs Caplan: That's the point you're making about VON providing multiservice and coordination as well.

Mrs Opie: Yes.

The Chair: Final question.

Mrs Caplan: What would be the effect on VON of the proposal, as the government has stated, for the comprehensive multiservice coordinating body to be the employer in this area? What would be the impact on the way the program runs today if the proposal goes forward and the CMSO becomes an employer?

Mrs Opie: We would have a huge staff encompassing the full district. Right now, we purchase the service from outside. We coordinate the services through the district, but to be the employer of all those services in the geographical area we're covering is an impossible task.

The Chair: Thank you very much for coming before the committee today. I think one of the things, as we've begun our hearings and I know as we continue, is that we are all learning a great deal about the VON, and we thank you for continuing our education this morning.

Mrs Opie: Thank you for the opportunity.

The Chair: Members of the committee, just before we break for lunch, two things: one, Mr Hope has a point of clarification to bring forward from his ministry.

Mr Hope: Not through my ministry, but when we were going through the hearings in the week in Toronto, there were questions asked around the Ontario Nurses' Association, whether it was involved in the process. I got a little upset because I walked back there, grabbed the books and made sure they were part of the process, but I asked people to inquire about it. I do have copies of the letter and I think it's important that it be circulated to the committee. There was opportunity and they were a part of the consultation process around the facility operating manual.

Mrs Caplan: They were just upset that you didn't listen to them, Randy.

Mr Hope: Oh, Elinor, you interpret everything I say.

The Chair: Order, please. We're all a little peckish. We need our lunch.

Mr Hope: I was in a good mood. I was nice and quiet.

The Chair: To committee members, we have a few tables in the restaurant next door. We'll begin at 1:15. We had one cancellation, so we will start at 1:15 sharp here. The clerk could help me: Is this room secured? The question has been raised. No.

We stand adjourned until 1:15.

The committee recessed at 1158.

AFTERNOON SITTING

The committee resumed at 1318.

The Chair: Good afternoon, ladies and gentlemen. We'll start our afternoon proceedings. We're here to review Bill 101, An Act to amend certain Acts concerning Long Term Care.

ASSOCIATION OF PLACEMENT COORDINATION SERVICES OF ONTARIO

The Chair: Our first deputation this afternoon is the representatives from the Association of Placement Coordination Services of Ontario. Would you be good enough to come forward, make yourself comfortable, have a glass of water.

Mrs Wendy Kirkpatrick: I need it.

The Chair: Would you be good enough to introduce yourself for the members and for Hansard. We have a copy of your submission.

Mrs Kirkpatrick: My name is Wendy Kirkpatrick and I am the vice-president of the Association of Placement Coordination Services of Ontario, as well as the executive director of the Thunder Bay District Placement Co-ordination Service.

The Association of Placement Coordination Services of Ontario welcomes the opportunity to respond to the proposed legislative amendments known as Bill 101. The association strongly supports the amendments which will result in streamlining and amalgamating the current systems for admission into long-term care facilities. We believe these changes are essential if we are to implement the government of Ontario's commitment to long-term care reform and the philosophy described in the Redirection of Long-Term Care and Support Services in Ontario document. We support the intent to make long-term care equitable to all, particularly those who have been considered less than desirable residents and therefore denied access to long-term care facilities of their choice.

In order to ensure that the consumer is best served, there must be a centralized, independent, objective coordinated service available which has the responsibility and authority to assist the consumer in obtaining the most suitable placement according to his or her needs. The amendments will make this process of assessing long-term care beds less complicated and less confusing for the consumer and his or her family or care giver.

Bill 101 will allow adults with physical disabilities to purchase and manage their own services, which we believe to be a positive move towards supporting the individual's dignity and right to direct his or her own life. Our response will focus on the areas of the bill which directly apply to placement coordination services as they currently exist.

We support having all admissions to long-term care facilities via a placement coordinator. Based on the already acquired expertise and experience of existing placement coordination services, it is appropriate that they continue to be designated placement coordinators. In other areas, it is essential that the designated placement coordinator or coordinators be modelled after existing PCS programs and be physically in a location removed from a facility and have no affiliation with it in order to prevent a conflict of interest.

Our association members do not expect to admit clients to facilities without objectively considering all aspects of placement and discussing with facility representatives any applicant whose needs may not be considered by the facility as appropriate for its current bed vacancy. We have concerns that Bill 101 does not adequately address the needs of the hard-to-serve clients, particularly those who may be physically aggressive.

It is essential that the eligibility criteria be precise in order that they may be consistently applied throughout the province. Furthermore, regulations authorizing admission to a long-term care facility must be equally clear. The immunity clause for placement coordinators will offer little protection if such regulations are ambiguous.

The Association of Placement Coordination Services recommends that regulations regarding screening for infectious diseases such as tuberculosis, salmonella, hepatitis and HIV be standardized. They must specify what testing is required, when it is to be done and/or repeated and who will assume the cost.

We would like further clarification regarding who and under what circumstances a person can give consent on behalf of a consumer for application or admission to a facility. Regulations must also specify how and under whose authority information can be transmitted between long-term care facilities and placement coordinators.

We have concerns regarding the present requirement of some homes for the aged and charitable homes that a facility's medical director must examine an applicant for admission. It is our opinion that this is a duplication and an added hardship for the applicant when an examination has already been completed by his or her own physician as part of the application process.

The association members recognize that a consumer appeal procedure to review a determination of ineligibility is essential. There also needs to be an appeal process for long-term care facilities as well. This is essential to our accountability. We support the presence of a placement coordinator at the appeal board, as well as the powers assigned to that board. However, we recommend that notices be given not only to the applicant but also to his or her care givers or next of kin. We would like it specified as to whether anyone can initiate an appeal on behalf of the applicant. Hearings must be held locally and convened within a specified time in order for this review to be meaningful to the frail population. We suggest 30 days as a maximum.

Our association requests more information as to the makeup of this appeal board and how one person can constitute a quorum. We support the right to appeal the decision to the Divisional Court and we feel the legal costs incurred by a placement coordinator must be authorized by the minister, as referred to in the act. We would like further clarification as to who the director will be, the position and how it will affect the expediency of appeals.

We support the need for quality assurance plans and increased information to be given to residents and/or their families by long-term care facilities.

The association supports the inclusion of short-stay accommodation availability in each facility and accessed through placement coordination service or a designated placement coordinator. However, short-term-stay beds must not be used as a back-door admission to a long-term care facility. This would defeat the intent of equitable access. Guidelines and criteria for the use of these beds must be clearly defined. A method of funding will be necessary to enable clients of limited financial means to occupy these beds. Funding must also be adequate to provide emergency respite for consumers when the care giver situation suddenly breaks down.

We recognize the right of the client to choose a long-term care facility, particularly as it pertains to specific religious, ethnic, geographic and cultural preferences. We further believe that residential care within the long-term care facilities may be the most appropriate type of care for some and that this is an option that should be recognized. We cite the example of an elderly couple, one with a heavy level of care and the other requiring residential care as we presently know it. Although one spouse's needs might be met in the community, the consumer does not want to be separate from his or her partner of possibly 50-plus years.

Regulations governing transfers from retirement accommodations to an extended care bed within a facility are required. Although we support the continuum of care, our concern is with the possibility of preferential consideration being given to those residents who are able to afford the retirement home, to the detriment of community or hospital applicants.

In conclusion, the Association of Placement Coordination Services of Ontario is encouraged by the recognition of the role of the placement coordinator. These amendments to the legislation confirm the essential function provided by placement coordination services in the long-term care service delivery system since 1970. We are pleased to know that, where the population warrants, there will continue to be programs known as placement coordination services to provide this essential service. We are optimistic that with all placements going through the placement coordinators, there will be reliable and accurate statistics available of bed usage, bed requirements and standardization of care requirements of consumers admitted to long-term care facilities throughout the province. We believe that the options available to consumers will be increased with the proposed funding changes and the standardized eligibility criteria for admission.

Last but certainly not least, the consumers and their families will have a simplified, objective and equitable process to access long-term care when community programs are no longer adequate to meet their needs.

The Chair: Thank you very much. We have a number of questions. We'll begin with Mr Wessenger.

Mr Wessenger: Thank you very much for your presentation. Perhaps you could indicate how the placement coordinating service is working in this community. Does it work well?

Mrs Kirkpatrick: The placement coordination service in this community was born out of a need in this community and brought forth a number of years ago, in 1972, by the long-term care facilities and concerned citizens in Thunder Bay about equitable access to long-term care. It works very well. There is 100% commitment from all the facilities, and the reason it works well is that they are quite happy with the fact that they have bought into the system. It was not forced on them.

Mr Wessenger: With respect to the rest of the province, does it work as well in other areas of the province, or is this sort of a unique situation?

1330

Mrs Kirkpatrick: It used to be very unique a number of years ago, but as things have progressed, once the service itself became known in other areas of the province and the good and benefit to the clients was seen, it was easier for people to work with.

There are still some communities where it is not working as well, and certainly in areas where it has not necessarily been legislated but where an agency has decided this is something that it feels the community should have whether the community has bought into it or not, it is always not working as well.

Mr Wessenger: Some comments have been made of concern that maybe there's a lack of sensitivity to cultural or consumer choices. Has that been a problem at all with respect to placement coordination?

Mrs Kirkpatrick: No, certainly not. A client is our mandate, and we spend a lot of time looking at not just the physical needs of this client but the cultural, social, emotional needs of our clients. When they ask for something specific, a specific need is addressed within them, particularly ethnic, we try very hard to work within the criteria that are available from the facilities that they give us to work with to extend to them the opportunity to go to that facility and sometimes even bend a few rules if necessary, particularly levels-of-care rules, so they are allowed to go to a facility where they would be most happy.

Mr Wessenger: Do you prefer sort of a flexible situation with respect to legislation?

Mrs Kirkpatrick: Absolutely.

Mr Wessenger: You do.

Mrs Kirkpatrick: Without flexibility the system will not work.

Mr Wessenger: Do you have many applicants who apply for institutional care who you find would be better suited for community or supportive-housing-type placements?

Mrs Kirkpatrick: Over the years we've had a number of clients. I've been with this service for eight years, and we certainly have had a number of people who could have lived in the community if there were a number of services available to them. But then there are those where the services may be available but they do not go into the facility for that reason. They go in for the socialization.

Sometimes it's structure that they're looking for and they require in their life, and they are not going to be able to pick that up in the community with certain support services.

Mr Wessenger: Do you feel the new provisions of Bill 101 will negatively affect your good working relationship here in Thunder Bay?

Mrs Kirkpatrick: No, I do not.

Mr Wessenger: Do you also believe that the service should be based on those with the highest need?

Mrs Kirkpatrick: Yes, and certainly over the past few years our waiting lists have changed considerably from those people who would like to be admitted, those people who have a need to be admitted and then those people who must be admitted. We have looked at our waiting lists and have changed our waiting lists accordingly.

Mr Wessenger: Do you think a good, functioning coordinating service would ever refer a client to a facility where he or she couldn't be adequately served?

Mrs Kirkpatrick: Certainly not every facility can offer every level of care—it hasn't been able to offer every level of care—and we can't meet the needs of every client in every community. We certainly try. There have been times when I have had to say that we do not have anything in our community that could meet the needs of that client and hopefully refer him or her to another area where there might be something that would meet his or her needs.

Mr Wessenger: Fine. Thank you very much.

The Chair: Mr Hope, one question.

Mr Hope: It's good that we had the presentation, because in Toronto we heard everything about placement coordinators and now we have had an opportunity to talk to one. I'd just like to ask, why is the fear out there about the powers that are going to be bestowed upon you to act on behalf of a client? I'm just wondering why there is fear.

Mrs Kirkpatrick: Because from what I have heard, the people don't understand. They have no idea what a placement coordination service does, and from Bill 101, it's a legislation. It looks like it's coming down from on high, that all this power is going to be there. We're not going to do anything different than we have already done for many, many years.

Clients are our first and foremost mandate and we are going to continue to work with clients and families and facilities; that is very important. We have a very close working relationship with facilities, because the people who are on the inside of those facilities we have helped to get there. We don't want to upset any applecarts along the way. We want to be able to work with our communities. The fear is lack of knowledge.

Mrs Fawcett: I thank you for your presentation. Certainly it sounds like your particular agency is doing a very, very excellent job of the placement coordination. Everyone has sort of a stake in it and you listen to everyone. Would it be your assumption then that you will carry on just as you are now under this bill? There would be no changes to what you are doing?

Mrs Kirkpatrick: I believe we will carry on. It will be business as usual. I think there will have to be some changes, because if it comes down the way it is, we will have to look at particularly the appeal process. This is something we're not dealing with.

I have an appeal process and it works very well, but the appeal process for people who want to be placed for the reasons I said, for structure, for some emotional stability, for a number of reasons where they may not necessarily need physical care, I think at that point—

Mrs Fawcett: Just briefly, because I know my colleague wants to ask a short question as well, I'm wondering about the qualifications and training of the placement coordinators. I know there's been fear expressed by the native community that their needs and special needs be considered in placement, because we don't want them being sent someplace where their culture is not recognized.

Mrs Kirkpatrick: Right. Certainly in this area, for our native population, we do not have a specific home that has been designated for the natives, but we do have areas within our city homes and district homes where there are numbers of native population. The qualifications are nursing backgrounds and social work backgrounds, either side.

Mrs Caplan: The question I have relates to the CMSO as envisioned in this bill. What impact do you think it would have on what is existing today in Thunder Bay and district?

Mrs Kirkpatrick: Because placement coordination in Thunder Bay is independent on its own—we're not under anyone else's umbrella—I certainly think we would continue to work as we are. Preferably we would like to do what we're doing now without having to be under an umbrella. We feel it's really important not to have someone coming down from on high—there's not necessarily a conflict of interest—telling us how things should be done, particularly when we're dealing with our clients. We've been doing this for a long time and we have a really good reputation for what we do.

Mrs Caplan: How do you see the role of the CMSO fitting within Thunder Bay and district?

Mrs Kirkpatrick: I think it would work very well if we could design our own. Thunder Bay is very unique in many ways. We designed our own PCS. We were one of the pilot projects. Before they had come down with a criteria for PCS, we had designed our own PCS which works very well in this community. I think we would do very well and could work very well as a community with PCS as part of the players.

Mrs Caplan: Are you confident that this legislation, Bill 101, would allow you to design your own? Is it flexible enough?

Mrs Kirkpatrick: No. There doesn't seem to be any flexibility we can see in this and that's what we're very concerned about, lack of flexibility.

Mrs Caplan: Are you making a proposal for an amendment that would allow you, within the umbrella of Bill 101, to design your own and be innovative and creative?

Mrs Kirkpatrick: We haven't, but I think we certainly could.

Mr Jackson: Building on that, do you feel the legislation is flexible enough with respect to your comments about sensitivity of placement coordination services, or should that be laid out more directly in the bill?

Mrs Kirkpatrick: I think the accountability for sensitivity should be for the community you're dealing with. Certainly, there isn't enough flexibility in the system.

Mr Jackson: That's a wonderful statement. What I'm trying to get a handle on is the degree. Who is in power? Flexibility is always in the eye of the controller, and in this instance, through regulation, you wouldn't control the total number of beds available, you wouldn't control the classification system, you'd only control who goes where.

If you're the person who controls who goes where, shouldn't you be protected in legislation and not through regulation with setting out the range of decisions you're able to do, as opposed to what I heard you say is the range of decisions you currently make and would like to make? It's reasonable that you should be able to continue to do it but, as legislators, we have to make sure you're protected so that you can do that.

Mrs Kirkpatrick: We did outline the fact that we feel there should be some protection for us, but it's still important that the community needs be considered and the placement coordinator who knows that community be allowed that flexibility.

Mr Jackson: To get back to my question, would you support that in legislation?

Mrs Kirkpatrick: Yes, we would support that.

Mr Jackson: Thank you. Mrs Caplan talked about qualifications, and I think you addressed that. Do you feel that practicum should be a major component of that? I think some of the criticisms are based on uncertainties; they're not actual experiences in placement coordination services. I want to make that statement up front.

1340

You share a lot of the concerns about placement coordination services, but it has been stated that qualifications and a certain amount of practicum, hands-on access working with the atypical client, is an important credential. Yet we could get someone fresh out of university who has not had a field placement but on paper the qualifications are there. Do you feel we should be recommending—that would have to be in regulation, I appreciate, but we'd like for the record—is that a strong position you'd support?

Mrs Kirkpatrick: Yes, very much so. We believe they should have a background in long-term care as well as community-based knowledge of the community and hands-on with clients.

Mr Jackson: Are we out of time?

The Chair: Mr Wilson wanted to—

Mr Jackson: Very good.

Mr Jim Wilson: Sorry I missed your presentation, but I've just finished reading it. I was just wondering what happens in those areas of the province where—in your experience with placement coordination and with this legislation—what happens to hospital discharge planners, for instance? I've been asked that by a local discharge planner.

Mrs Kirkpatrick: What happens to them when?

Mr Jim Wilson: When this bill comes into effect. For instance, my area of the province doesn't have a placement coordinator or such thing, we simply rely on the local hospital discharge planners. They seem to perform that function and they're kind of feeling they're going to be out of business as a result of this legislation.

Mrs Kirkpatrick: Certainly in our area there would be no reason for them to be out of business. I work very closely with our discharge planners on a day-to-day basis, talking to them about clients and, in particular, prioritizing their needs. I could not ever foresee and would not want to have to have any authority over what happens within the hospital situation as far as the long-term needs of that client are concerned, though the discharge planner knows them far better than I ever would and I depend very much on our discharge planners.

Mr Jim Wilson: I appreciate that, but just bring me through what you envision after this legislation's in place. The discharge planner would then have discussions about the particular potential resident directly with the placement coordinator.

Mrs Kirkpatrick: Yes, that's right, and at this point in time we discuss the level of care that's required, the facility the client would be going to—discussions with the family. If there are any problems with a transfer etc, we work with that family and with discharge planning to expedite and to allow that the transition is smoother from hospital.

The Chair: Could I just ask you to help with my ignorance? You mentioned that your association—here in Thunder Bay you have, I guess, grown out of the community coming together saying, "We need this." Wearing your other hat with the provincial association, who are you? Are some of you government employees? I mean, who is it, how does one become today a placement coordinator? I'm just trying to have a better sense of that.

Mrs Kirkpatrick: A placement coordination service or a placement coordinator?

The Chair: I guess perhaps just in terms of your own association. Who formed the membership of that?

Mrs Kirkpatrick: The executive directors and depending on which placement coordination service you were involved with. We're independent; I'm considered an executive director. Those who are under the umbrella of someone else are considered directors.

We met on a regular basis just discussing certain needs we had for our clients within the province and we were advised a number of years ago to form an association so we could be heard on behalf of our clients. So that's what we did and we have presented many briefs on behalf of—people wouldn't know what the placement coordination service is. If one of us sent a brief in as an association, we were allowed to have a voice, and we have made a lot of

changes in the last four or five years concerning long-term care with our voice.

The Chair: Thank you very much for your submission.

Mrs Fawcett: Excuse me, Mr Chair; this is just a question of the ministry officials that I don't need answered right now. I just wondered if they could give an opinion on whether placement coordination services such as this would have to change under Bill 101 or whether they can just carry on their good work the way they have.

Mr Jackson: And who pays for the change; I think that was part of your question, Mr Chair.

The Chair: Thank you. There are two questions. There are all these questions that arise out of our deliberations. Thank you very much again for coming and sharing your thoughts with the committee. We appreciate it.

Mrs Kirkpatrick: Thank you. I appreciate the opportunity.

DONNA LEONZIO

The Chair: I'll call on our next witness, the Ontario Nurses' Association, Local 179 from the Hogarth-Westmount committee, if you would be good enough to introduce yourself to the committee and for Hansard.

Mrs Donna Leonzio: My name is Donna Leonzio, and I'm a registered nurse. Initially, at the outset, I would like to clarify that although I'm a member of the Ontario Nurses' Association and am a local president, this presentation represents only the view of a small number of ONA members and is not the central ONA position on this bill, which I am sure you have heard previously; nor do I represent the concerns of Hogarth-Westmount Hospital, but only of the registered nursing staff there employed.

Thank you for the opportunity to address this panel and to express the concerns of the staff registered nurses at Hogarth-Westmount Hospital in relation to this bill. Hogarth-Westmount is a 218-bed chronic care-rehabilitation hospital with 178 chronic care beds, serving not only this community but also the region.

In principle we support the concept of this bill in that we feel standards of care must be uniform within the homes sector. There are, however, areas which raise concerns, especially among those working in the chronic care field, and it is to some of these that I will speak.

Homes for the aged historically provide care to elderly clients who are advancing normally through a natural and inevitable process, aging. Their needs are of great importance and are well met within the homes for the aged mandate. There are other citizens who have had one or more body systems traumatized and are affected to the extent that they are unable to progress normally through this process. These persons need more intense observation, support and more skilled nursing hours. Generally, the determination between levels of care is a person requiring 2.5 hours or more of skilled care, that is care provided by staff at a registered nurse or registered practical nurse level of education. In other words, they are totally dependent upon others for their basic needs to be met.

Our concerns are based upon the absence of set criteria for admission. By eliminating these criteria, several concerns are raised, concerns not only to those working in the field but concerns to all who may be a future consumer. While we feel that all concerns are valid, we have prioritized them for the purpose of this presentation:

(1) Quality of care will suffer greatly.

(2) Residents will be put at severe risk.

(3) Costs will increase.

(4) Basic rights will be compromised or lost.

(5) There will be inadequate numbers of qualified professional staff to meet the needs of a more complex resident.

Quality of care: Upon admission to a home for the aged, a normally aging person obviously requires some type of care. Many of these clients are the frail, elderly or light care. This means that they need supervision and assistance for greater lengths of time and for more activities than the community and their families can provide. They may need reminders to bathe, to eat, to perform grooming tasks or to use the washroom. They are most likely unsteady walking and may have a sensory impairment such as poor vision or hearing. They are probably unable to prepare a nutritious meal. They may be subject to periods of forgetfulness, which puts them at risk for personal injury, and they may be prone to wandering. They need help with and monitoring of medication, but in medical terms are stable.

The staffing level in the homes now does a wonderful job of caring for these residents. In this city, the quality of care is exemplary, and all clients receive the best care, provided by compassionate and well-educated staff. But they are now facing funding cutbacks, erosion of some job classifications and staff shortages. It is due to their staffing patterns that when a resident starts to need the maximum hours they are funded to provide, 2.5, they begin to process papers for alternate placement with a different type of care provider.

1350

In chronic care, on admission, the resident is already at the high end of the care spectrum. They require level 3 care, or more than 2.5 hours of skilled care in a 24-hour period. Basically, this means that their needs cannot adequately be met elsewhere. Unfortunately, these persons cannot progress through the lifespan normally. They have had an interruption in their aging, some trauma which disables them, usually severely. The most common problems are strokes, amputation of one or more limbs, organic brain syndromes, intractable chronic pain, severe osteoarthritis, cerebral palsy, spina bifida, profound aphasia, severe visual or hearing loss and inability to swallow. Resulting from one or more of these problems, and others, is an inability to care for themselves. I am not speaking of an elderly person unable to prepare a meal. These persons are profoundly challenged. All 178 of our residents require total care to bathe, to dress, and to eat. To turn over, to move themselves or wipe away a tear, someone must anticipate the need and perform the skill.

Only a very small percentage of our residents are able to control their bowel or bladder, and those who are able must be placed in an in-depth program for maintenance of this. Fewer are able to weight-bear well enough to walk

with two people assisting, and none can walk alone. The vast majority require machinery to lift them from their beds to a wheelchair.

I am confident that with these two descriptions of two different levels of care you will see the difference upon the admission. It is not only that the heavier physical care resident will detract from staff energy and erode their time, but while they are providing care to the heavy-care resident, who will be with the lighter-care person? Who will be with those who require a more residential level of care? The proposed long-term care reform indicates that the plan is for these persons to remain in the community or return to it with supports. Perhaps if there were adequate supports in place now for all the elderly at home, this plan would have some credibility. Without increases in both funding and staff, residents at one end of the spectrum or the other will suffer from an inadequate provision of care.

Risk to the client: We see a very real threat to frail clients in homes that may not be evident to those who have not had the opportunity to tour a chronic facility and observe the variety of residents within it. Not only are chronic hospitals the best equipped to deal with heavy-care residents; it is also in their mandate to accept residents with a current psychiatric diagnosis. For example, our residents have diagnoses such as schizophrenia, manic depression and paranoia; also many forms of dementia, senility and varying degrees of Alzheimer disease. Many or most of these residents are verbally abusive and physically aggressive. Plans of care for these residents may include physical isolation for the protection of other residents, but in order to effectively isolate the client, there must be enough skilled staff available to assess and monitor the behaviour, determine and observe for the precursors to violent behaviour, and act upon them immediately. Once the isolation has occurred, the person cannot be left alone. A staff member stays with the resident and attempts to diffuse their anger and frustration, and also to ensure that they do not cause injury to themselves. This involves time, and time spent with one resident is time that is not spent with the rest who may also need assistance. In chronic care we have the staff numbers to provide a safe environment for all our residents, but chronic care facilities are set up for this.

I cannot emphasize enough how hazardous these residents can be in a homes-for-the-aged setting, where most residents are ambulatory. The risk to those persons is enormous, and I can assure this panel that some elderly are violent in the extreme. It is not always possible for well and able-bodied staff to avoid injury, sometimes permanently disabling. Knowing this, how can this province expose an unsuspecting frail elderly population to this risk? That is what will happen unless those who pose a potential risk to others are kept segregated from those unable to protect themselves. And if we do that, locking them up in effect, how can we say we are providing quality care or quality of life? We revert then to maintenance care for the psychiatric or violent elderly. We warehouse them, because the homes at present do not have the staff.

This brings me to our third concern: an increase in cost to the province. Provision of adequate numbers of skilled staff will increase costs and equalize the per diem rates in homes to that of chronic care hospitals. Skilled professional staff, who are trained to care for myriad physical and medical problems, are not inexpensive. Ask any executive director of a chronic hospital who signs the cheques. It is a very simple equation. A light-care resident plus small numbers of staff is equal to a low per diem. Heavy-care residents plus an adequate number of skilled staff to provide care is equal to higher per diem rates. We query then, why the change? Why reinvent the wheel? The chronic care hospitals are now caring for level 3, total care and psychiatric residents, and are doing it very well. Let us continue to do so. Not only do we provide quality, safe care at reasonable expense to the province; we provide for them to the end of their lifespan, to their death. Usually in a home, when a resident becomes physically and mentally unstable, he or she is transferred to an acute care facility. This involves a two-way transfer by ambulance, occupancy of an acute care bed and associated costs to the system.

In chronic care we have already in place the infrastructure to maintain care through the final stage of life. We have in-house X-ray, lab service, physical and occupational therapy, pastoral care, social service and pharmacists on staff and readily available. We have on staff physicians not only in general practice but from every available specialty, including psychiatry and dentistry available for telephone or personal consult. Each unit has oxygen and suction equipment available and emergency drugs and equipment, and it is only in the most dire circumstances and always at family request that we transfer a resident to acute care. In Ontario, which has such a strained health care budget, what makes greater fiscal sense?

Another concern which we feel very strongly about is that upon reading the bill, it appears that neither of the parties is to be given a choice regarding admission. Placement decisions will be made by a director, and the client may not refuse the placement, nor can the institution deny admission. Thus the resident loses power to make a life choice, and the institution suffers a loss of autonomy. The client cannot decide where he or she will live at a time when most have already suffered huge losses, not the least of which is the independence to live in his or her own home. The institution is not able to refuse to admit those it knows it cannot adequately care for. What then will happen to malpractice coverage and liability costs? The care provider that initially appears to be the most cost-effective may prove to be the more expensive in the long run.

An appeals process is to be implemented and may be accessed by either party should there be disagreement regarding placements, but how long will this process take? What do the parties do until the appeal takes place? Who presents the appeal? Lawyers or client advocates? Both will increase costs. Institutional administrators who will have this added to their workload? Or will each institution be expected to have an appeals representative on staff?

We must also look at who will be providing the care. What will be the ratio of professional staff to clients? How many of them will be professionally trained, medically skilled and accountable, not only to the employer but to the public? Will care be given by those who are best able

to give it, able to use in-depth assessment and observation skills from moment to moment, able to assess needs and take appropriate intervention immediately, or will it be provided by a person trained in the norm and not fully aware of minute variations which may appear to be insignificant but are of great impact physically?

The Ministry of Community and Social Services has a document which gives its interpretation of a resident profile and demographics for the future of the long-term care or chronic resident. It was released in October 1991, and we found it a very frightening document. In it there is attached an appendix listing the current and projected practice and minimal qualifications required to perform these procedures. In this, they have left almost nothing that an RPN cannot do after a nine-month training program and leave very little protected function to the RN after a minimum of 24 months of training.

The catch is, the RN must supervise many of the skills the RPN will be performing. I realize that it is current thinking that due to the salary scale of the RN, RNs are not cost-effective. But in reality, there are skills on the list that only a person with in-depth training is able to safely provide. They also take into this list the health care aide, who has less than three months of training, and would allow this person to perform skills far beyond the scope of his or her education, not taking into account that this person is accountable only to the employer. Now ask yourselves, not as a member of this panel but as a citizen of this province and as a future consumer: Who do you want to take care of you?

Currently the government has three reforms before it which will affect the aging population in either a positive or a negative fashion. They are (1) long-term care reform, (2) Bill 101 and (3) the chronic care role study.

For a moment, let us picture each of these as a building block, each interlocking with the others. When all three are in place and working, we will have a solid, cohesive and intact continuum of care which will meet the needs of all persons who are in need of assistance, from the initial need through their final moment. Unfortunately, only one of these blocks is available: block 2. This leaves gaping holes at the end of the continuum and only the needs of some will be met. Until we are able to see, read and debate the very anxiously awaited other documents, how can the people of this province intelligently debate the bill or even make their feelings known?

In conclusion, I would make one final comment: The homes for the aged now provide care to those who are appropriate for that level of care. They do so with an emphasis on maintenance of functional ability and encouragement to keep as many independent skills as possible. Chronic care cares for those who are not able to care for themselves, who have severe disabilities and medical problems requiring more hours of skilled nursing care.

We urge this panel to consider our concerns and to recommend strongly the addition of wording making specific requirements of eligibility for admission to the homes. Let the homes and chronic care continue to work together to assure that every elderly person in this province will have access to the best, safest and most cost-effective health care we can provide. They deserve this, expect it from us, and we must be able to provide it. Thank you for your attention.

1400

The Chair: Thank you very much. You obviously put a great deal of thought into this and we appreciate the observations from you and your colleagues at the hospital. We'll begin our questioning with Ms Caplan.

Mrs Caplan: Thank you. I want to echo the words of our Chairman: a very thoughtful presentation that you have before us today. I was particularly taken with the concept of the building blocks.

I'm assuming by long-term care reform you're referring to the paper that has been promised for so long and that was originally supposed to have been out last January, and they're now saying perhaps in March.

Mrs Leonzio: Yes.

Mrs Caplan: And the chronic role study is the role study which was committed to, I believe it was 1990. Is that correct? Do you know how many times the new government commissioned the chronic role study?

Mrs Leonzio: No, I don't. I'm sorry.

Mrs Caplan: This is a question I have for the parliamentary assistant, and that is, how many times did the ministry go out with requests for proposals for a chronic role study from the point at which you assumed the government?

Mr Wessenger: I'll ask ministry staff.

Mrs Caplan: How many RFPs were actually put out for the chronic role study?

Mr Geoffrey Quirt: My name is Geoff Quirt, acting executive director of the long-term care division. The short answer to that question is that I don't recall, but my best recollection is that the role study steering committee was established under the former government, that there was a hiatus during the transfer of power, that the same steering committee continued and called for proposals for the chronic role study and that a consulting firm was hired at that point.

Only one consulting firm was hired. I don't recall that there were two tenders let for that particular project. I think that there was some discussion about the cost of the project and that the terms of reference for the project were scaled down at some point on the basis of concerns about the scope of the project and the costs associated with it. If I recall correctly, there was only one tender call for the project. I'll be happy to check with staff and to confirm that recollection, and if there's anything different to add, I'll be happy to do that later.

Mrs Caplan: Thank you. I'm particularly interested in that because it's been two and a half years, almost three years, since that initial steering committee was established and it's my understanding that it's been or should have been, according to your time frame, two years since the initial RFP was let.

When do you expect the result of that chronic role study to be available?

Mr Quirt: The results of the role study report should be available in March of this year, so within the next

month we expect the final report. A draft report done by the consultant is currently under review by the role study steering committee and the role study steering committee may be adding additional information that it feels appropriate to pass to the Minister of Health.

Mrs Caplan: The reason I ask these question is that I think it fits exactly with the suggestions you've made that this is only one piece of a much bigger picture and that it's very difficult for everyone to see how all those pieces will fit together when two parts of it, both the long-term care reform policy framework and the chronic role study, have yet to be completed and made available to everyone.

The question I would have for you, and you're working in a chronic hospital environment, is, have you applied the proposed Alberta classification system to your residents? That's question one.

Mrs Leonzio: Yes.

Mrs Caplan: And what was the result?

Mrs Leonzio: Again, I'm speaking as a staff nurse. I don't have access to—I don't believe the hospital at this time has received any report back as to how it came out in the classification system.

Mrs Caplan: So after two and a half years of discussion, without a chronic role study, without the completion of the long-term care, with this legislation in place, or about to be put in place, which is going to significantly affect the funding, you're saying that you do not know what the impact on your institution would be.

Mrs Leonzio: No, we don't.

Mr Jim Wilson: I gather from your presentation that there's a real worry that unqualified health care practitioners will be filling roles that they may not have sufficient training for. Is that taking place now, though, in the chronic care setting or in homes for the aged?

Mrs Leonzio: I can't speak for homes for the aged as such. In the chronic care hospital where I work, they do employ health care aides who provide the very basic care. A certain percentage of the staff are RPNs or registered nursing assistants, and every unit has at least two registered nurses on staff; on day shifts most of them have three. Every unit is also staffed by a registered nurse 24 hours a day supervising the care. Certainly, health care aides right now have a very limited scope that they practise in. They just basically do the bedside routine things, and anything else that is extraordinary is referred to the RNA.

Mr Jim Wilson: But you're concerned that may change?

Mrs Leonzio: Yes.

Mr Jim Wilson: Just so I can get a little clearer handle on it, exactly what makes you have that worry?

Mrs Leonzio: The document I had from the Ministry of Community and Social Services which referred to the profile of the long-term care resident had a list of skills that were currently being performed within homes for the aged, chronic care hospitals and acute care hospitals, and then on the far side they had a list of minimal qualifications of people who would be able to do these skills.

They gave a lot of things that are right now within the mandate of the registered nursing assistant because they require some assessment skills to the health care aide. They're going to allow the health care aide to do those. They're going to take a large percentage of what is now, I consider to be, a protected registered nursing function which requires in-depth assessment or in-depth knowledge and they're going to allow a registered nursing assistant to perform some of them independently, some of them with supervision of an RN. We still feel that the RN will be ultimately accountable for that service.

Mr Wessenger: Thank you very much for your presentation. I'd just like to indicate that the classification of the chronic care system was done pursuant to the chronic care study and for that purpose only, and not in any way for the question relating to the funding of chronic care hospitals. I just wanted to put that on as a point of information.

Mrs Caplan: I have a question for the parliamentary assistant, if I may. In spite of the information that we've received today from the ministry, I'm asking the parliamentary assistant if he will make a commitment to ensure that the chronic role study as well as the long-term care reform framework policy paper will both be available publicly in March.

Mr Wessenger: I don't think I can make that commitment. I can only indicate that's what the indication is, that it will be available in March. That's my best information. I can give you that indication. According to my best information, it will be available by the end of March.

Mr Jim Wilson: Perhaps following that, we could get the commitment that this bill won't be debated any further in the Legislature until such time as we see those studies, because it would be most unfortunate if we were to continue to study this bill in isolation of all the other pieces of the puzzle. I'd like a response.

The witness has just brought up a number of very good points. When I read through her excellent brief, it is riddled with the suspicion that homes for the aged may become our next chronic care hospitals, and that's a suspicion we've heard from a number of other people.

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The Chair: Mr Wilson, I think you've made the point and we'll await what the government determines it will do.

Mrs Caplan: Perhaps I can phrase my question in a slightly different way.

The Chair: I will allow one more, but I think the points have been made. The parliamentary assistant has said that to the best of his knowledge this material will be available in March. I don't know that we can go much farther than that at this point.

Mrs Caplan: If you can't give a commitment, can you say that you'll use your very best efforts so that both studies will be available in March? One was promised for January. We've been waiting now for three years for the completion of that process.

Mr Wessenger: I'm quite happy to give my personal commitment to do my best to ensure they are available. I can quite happily give that.

The Chair: The final best effort and commitment from Mr Jackson.

Mr Jackson: I think I raised this in the first week of the hearings with reference to the reclassification in chronic care hospitals. I had asked that the information be separated into those specific chronic care hospitals where the request is now a matter of public record for reclassification of beds—we could get that information immediately—versus the uncertainty in the remaining chronic care hospitals, so that we could at least deal with the Perly Hospital and one or two others. I was hopeful that it doesn't take a best effort to get that.

Failing that, we can, on your direction, Mr Chairman, go through freedom of information and get that information. But I'm not asking that we wait for a study; I'm asking for the current status of those chronic care hospitals that have been asked to reclassify their beds down from chronic care, which is the essence of your brief, and that was helpful.

Mr Wessenger: I understand that we can provide a list of those chronic care facilities that are planning to convert to long-term-care facilities. That information can be provided to the committee.

The Chair: We will get that information circulated to the members. Thank you for coming. You have brought a great deal of enlightenment this afternoon to our deliberations around some of these issues. We appreciate in particular getting a view from within one of the chronic care hospitals from your vantage point. So thanks again for coming.

Mrs Leonzio: Thank you very much.

CITY OF THUNDER BAY HOMES FOR THE AGED AND SOCIAL SERVICES

The Chair: We move on, then, to our next presenter, the representatives from the Thunder Bay Homes for the Aged, if you would be good enough to come forward. Welcome to the committee. Please make yourselves comfortable. Have some Thunder Bay water. We have a copy of your submission. Perhaps you'd be good enough to introduce yourselves and then please go ahead with your presentation.

Ms Betty Kennedy: Thank you, Mr Chairman, and good afternoon. I am Alderman Betty Kennedy and I chair the community services committee of city council. With me is Joyce Greene from the Homes for the Aged and Mr Don Holmstrom, the administrator of the Homes for the Aged and Social Services.

The city of Thunder Bay is committed to providing a wide range of quality services for its seniors. The city operates two non-profit homes for the aged. Dawson Court accommodates 217 residents and was established in 1957 by the former city of Port Arthur. Grandview Lodge accommodates 233 residents and was established in 1959 by the former city of Fort William. In addition to these two homes, a third home is presently under construction and due to open in early 1994.

The city's homes for the aged also provide a range of services to seniors living in the community through a Meals on Wheels program and support services to a non-profit seniors' apartment. Since 1977, through its social services department, the city has offered home support services to seniors and disabled members of the community which enabled them to live in their own homes as independently as possible. Such services include transportation, homemaking, yard maintenance and counselling services. The city operates a parks and recreation department which offers recreation and socialization for seniors residing in the community through general programs and in its older adult centres.

Drawing on many years of expertise in the provision of services for our seniors, we have followed with great interest the development of the province's long-term care initiatives. We support the government's initiative to convert the existing patchwork of legislation into a coordinated policy direction.

We support this government's commitment to the four principles as outlined in the discussion paper on long-term care redirection: (1) the primacy of the individual and the right to dignity, security and self-determination; (2) promotion of racial equality and respect for cultural diversity; (3) importance of family and community; and (4) equitable access to appropriate services.

Although we share the government's commitment to the future, we are apprehensive about certain aspects of the proposed changes suggested in Bill 101. It is important to recognize the strengths of the system we now have and not lose sight of these in any forthcoming changes.

Principle 1: In the city of Thunder Bay, seniors currently seeking placement in a long-term care facility have a number of choices. Would they like to be placed in a profit or not-for-profit facility? What specific facility suits their needs the best? They often make these choices based on the geographic location of the facility, so that a spouse, friend or relative may still have ease to visit.

The cultural focus of an individual facility may also affect the decision. For example, Dawson Court has a high percentage of residents of Finnish origin. To this end, there are many Finnish-speaking staff, and programs and meals are tailored to this culture whenever possible. Assurances that this freedom of choice will still exist is essential.

When reviewing the appeal process in Bill 101, it became evident that an individual only has the right to appeal a decision that he or she is ineligible for admission to a facility. This is a lengthy process at best. As well, it fails to acknowledge the individual's right to appeal the selection of a specific facility.

In addition, the appeals process does not take into account the facility's need to appeal consumer eligibility. Once the placement coordinator has determined eligibility for admission and authorized such, the facility is bound to admit that individual. The only reference to exclusions for admission are for medical reasons and are found in the draft facilities program manual. These include ventilation therapy and deep bronchial suctioning, onsite surgery and epidural anaesthesia.

With these being the only allowed exclusions, all other types of admissions must be accepted by the facility. Our concern is primarily one of safety and security for other residents of the homes, where we are required to admit a senior with severe psychiatric problems who may be verbally or physically aggressive, or both. Locally, there is a possibility that the Lakehead Psychiatric Hospital will close down its psychogeriatric unit. Will these patients then become residents of the homes, and how will that affect our ability to ensure a safe environment for the residents and staff in our facilities?

We also have concern for the maintenance of the confidentiality of resident information. Clause 21(5)(g) states an inspector may "remove a record, a sample of a substance, or any other thing, if it is relevant to the inspection." Our concern here is twofold. On the one hand, the proposed changes do not clearly define who these inspectors are. What assurances do the facilities have that resident information will be kept confidential when the information is out of our control? At the present time, medical records are never allowed off the premises without a court order. How do we assure residents and their families that personal medical information will always be maintained in confidence?

Principle 2: Ontario has a very diverse population. Cultural differences, language differences and different religious affiliations are only a few aspects of this diversity. This legislation must find a way to respond with sensitivity to this reality.

Historically, services for seniors tend to be based on Anglo-Saxon values and perceptions. The continuity of one's lifestyle is extremely important to all seniors, and perhaps more so for seniors with different ethnic backgrounds. The legislation must recognize and provide for cultural needs. Culture includes learned values and behaviours. Normal, habitual ways of doing things determine the degree to which responses are regarded as normal or abnormal. However, the question remains, normal to who?

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The sheer complexity of serving seniors from diverse ethnic backgrounds suggests that planning must occur at the local level so that it is specific to the needs of each community. Planners should be guided by the expertise of key community groups and agencies that have demonstrated leadership and have experience with particular minority groups.

Research suggests that many ethnocultural groups are not moving resolutely away from traditional health beliefs and practices towards scientific medicine, but rather are holding fast to traditional beliefs and practices. These practices must be considered in planning services.

Principle 3: Quality of life for people receiving long-term care depends on successful partnerships among the customers, their families, formal service providers and policymakers. A collaborative approach to the development of legislation will ensure that quality of life is a central concern in long-term care services.

All facilities and agencies delivering services to seniors should strive to develop a strong consumer orientation. If autonomy and quality of life are important, the people who can best advise facilities and agencies on how to achieve it are the consumers and their families.

The framework that has been developed to achieve accountability is inconsistent with this principle. To set up another level of bureaucracy under the proposed system of inspectors does not serve the taxpayer well. As stated by Donald M. Berwick, one cannot "inspect quality in"; it has to be built into the process. The goal of modern thought on quality management is to develop and maintain a system so reliable that inspection activities can be safely reduced or even eliminated.

We suggest that a comprehensive review be made of the 18 indicators in the draft LTC facilities program manual from the perspective of building quality into the process or activities themselves. One needs to question whether the indicators have been selected solely on the merit of ease of data collection.

Principle 4: While agreeing totally that there should be equitable access to services for seniors throughout the province, we would like to see the many strengths of the current system of long-term care preserved within this new system.

In Thunder Bay, we support the present role of the existing placement coordination service. The facility admits based on PCS submission, the facility's own assessment and its ability to safely meet care needs. Authority for admission is left with the facility, based on compliance with ministry standards. We recommend that the role and scope of authority of the existing PCS and its relationship with the homes for the aged be maintained and simply be extended to cover all long-term care facilities where this does not exist. Since the role of PCS is to be objective in determining the level of care of the senior and priority for placement, but not final eligibility, there is no perceived conflict of interest.

The role of the city's social services department has been to gather social, functional and financial information and to provide counselling and community options to individuals and their families who may require long-term care resources.

In relation to the city's homes for the aged, this has also included completing all necessary documentation and assisting the individual through the admission process. Our expertise and knowledge in accessing community resources enables us to ensure that all community-based options are fully explored prior to facility placement.

In addition, our social service workers are well acquainted with the administering of financial means or income tests and have knowledge of financial resources available to potential residents. This would enable us to ensure that means or income tests are equitably applied and that all sources of potential income are explored with the applicant.

Furthermore, we believe there may be a perceived conflict of interest if the PCS coordinator is the same person who determines priority for admission and also assesses ability to pay. It would be difficult, if not impossible, to determine the degree of influence that a client's financial status would have on priority for admission. We therefore

recommend and support the continued involvement by the city's social services department in the admission process.

Additional concerns:

Preferred accommodation: Proposed legislation under paragraph 31(1)15 of the Homes for the Aged and Rest Homes Act requires that "parts of the bed capacity of homes and joint homes be set aside for basic accommodation, for various classes of preferred accommodation and for short-stay accommodation, and regulating the amount of bed capacity that must be set aside for each type of accommodation."

This raises a number of questions. First of all, if a regulated number of beds are to be set aside for short-stay accommodation, are these then to be fully funded for every day of the year to allow for frequent changeover in population and probable periods of vacancy? If this does not happen, this will negatively affect the homes' ability to generate revenue. Secondly, in newer homes where there are only semi-private and private rooms, what is to be set aside for basic accommodation?

Paragraph 18 of the same section makes reference to defining various types of accommodation. We would like to suggest that if these are to be standardized by definition, they must be defined by varying degrees. For example, a resident in Thunder Bay may reside in a two-bed room in our new home with en suite bath, vanity and privacy separation. Another resident may reside in an existing home in a two-bed room with little or no closet space, no vanity and no washroom. Are these residents both considered to be occupying similar space and paying accordingly? Different rates of pay for the varying degrees of types of preferred accommodation are essential.

Equitable access to preferred accommodation is also of prime concern. Throughout our history in serving seniors, at no time has money ever been the driving force for decisions regarding type of accommodation or access to services. It is our understanding that in the future, preferred accommodation will only be given to those residents who can pay in full. Does this mean that when new facilities open, such as will happen in Thunder Bay in 1994, only those residents with money will be accepted? Will it mean that preference will be given for admission based on a person's ability to pay preferred accommodation rates? Lest we wish to set up a class system for the delivery of care, this area deserves very close attention.

Future funding: Historically, provincial government contributions to areas such as medical supplies have not met the demands of residents in long-term care facilities. It is significant to note that while it is anticipated that the level of care will be ever-increasing, there is no commitment by the government to ensure that funding is available for items such as Foley catheters, intravenous supplies, assistive devices, etc. Adequate funding for these needs is therefore crucial.

The redirection assesses ability to pay for accommodation costs based on income, with the exclusion of assets. This is of grave concern to us locally. In 1992, 22% of the maintenance revenue for our two homes was for assets other than income. In dollars, this represents about $1.3 million. In an analysis of the residents' ability to pay increased fees on a consistent basis, only 27% of residents would have sufficient income.

How then will this shortfall in revenue be made up? Our city is in a severe economic crisis with the future of our port in question and the downturn in the fortunes of the pulp and paper industry, on which we are very dependent. It cannot sustain increased demand on the tax dollar while the tax base is slowly eroding away.

In conclusion, there are many complex issues facing the long-term care system at the present time. Bill 101 is one of these. The service providers of Thunder Bay are dedicated, knowledgeable people with a history of providing quality care to their seniors in both a facility and community setting. It is our fervent hope that these traditions will be allowed to continue.

We believe it is important that the government, service providers, consumers and taxpayers form a partnership to provide a system of care that is not only cost-effective but is also humane, fair and individualistic.

Finally, we share in the conviction of the former Minister of Health about the need to seize this once-in-a-lifetime opportunity to get it right. We would like to expand that statement by saying: Where we have it right, let's keep it right.

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The Chair: Thank you, Alderman Kennedy, for that presentation. We'll begin the questioning with Mr Wilson.

Mr Jim Wilson: Thank you for your presentation. I particularly enjoyed the latter part, which talks about funding.

The point's been made that under the new system the government tells us it wants to collect $150 million of the $208 million of new dollars to go to this sector. They want to collect that through new accommodation user fees. But we've had a number of witnesses appear before the committee indicating that through all the number-crunching they're doing, there's no way the government's going to collect the amount of money it envisions collecting, so there may be even less money for the sector.

Also, you mentioned—it's a great deal of money and I didn't know it would be that much money in your homes—that it's $1.3 million, which is 22% of the maintenance revenue, that is collected through the fee differential for preferred—sorry, I'm missing this point here. Do you want to explain that, where the extra dollars are coming from?

Mrs Joyce Greene: Okay. This is maintenance revenue collected from other than income sources. So this is not the pension cheque of the future direction, where the only ability we will have is to collect from income, which is your interest income on a bank account or your pension cheque as it comes in each month. This comes from bank accounts, investments, whatever. This is not preferred accommodation. We do not charge that locally.

Mr Jim Wilson: Okay. I understand that. So it's your understanding that you'll lose the $1.3 million.

Mrs Greene: Yes.

Mr Jim Wilson: Is there any way to make it up under the new system?

Mrs Greene: With the increase from the $27 a day to the $37 proposed rate when the bill comes through, only 27% of our current residents have the ability to pay that extra $10 a day, so I am at a loss as to where the $1.3 million is going to be made up from.

Mr Jim Wilson: Well, you and just about every other home is at a loss, and that's why I can't believe we're at this point in the legislation where this hasn't been addressed to the committee's satisfaction. Mr Chairman, we were having a workup done on how the government came up with its $150-million estimate. Could we find out what the status of that is?

The Chair: Parliamentary assistant?

Mr Wessenger: Yes. I guess I can ask staff to indicate with respect to that matter.

Mr Quirt: Currently staff are developing an analysis of our estimate of the revenue generated by increasing the fee on 46,000 beds and reducing the fee on 12,000, and we're also comparing our analysis to the analysis presented to the committee by the Ontario Association of Non-Profit Homes and Services for Seniors. That work isn't complete yet. I know it's under way currently.

Mr Jim Wilson: Can I ask the parliamentary assistant, you're doing the analysis now, but the government's made much of the fact that it's giving an additional $647 million. Some $208 million of that is to go to this sector; $150 million of that is to come from consumers themselves. One assumes you would do the analysis before you'd give a lot of speeches about these kinds of dollars. Is there not something available to the committee now on how these figures came about?

Mr Wessenger: The analysis was done previously by ministry staff to come up with that figure. As I understand it, they were looking at it again just to reconfirm and to ensure that both the homes and the ministry are using the same calculations. I understand that's just to ensure the calculations are in fact correct, but the calculations were done before.

Mr Jim Wilson: Well, then, I understand that the homes are getting closer to the government's figure on this but that there's still a gap. Is that true? If there is a gap, is the government intending to make up the difference?

Mr Wessenger: Perhaps I'll refer it to staff. With respect to the question, is there still a gap, and how close are they getting to resolving that?

Mr Quirt: Yes, there's still a difference of opinion. We met once with OANHSS and it presented its calculations. I wasn't at that meeting; my staff were, and my understanding is that OANHSS has revised its projections and that staff will be meeting again with it to share the analysis that I've mentioned is under development at this time. We'd be happy to share that with the committee once it's complete.

Mr Jim Wilson: Okay. Thank you. One quick question. Placement coordination services now: Since we've been in Thunder Bay we've heard a lot of good things about your current system here and a lot of presenters today have indicated they don't want us to fix something that isn't broken. Are there potential residents out there not being served by the current system? Are there ethnic and cultural needs not being met? Why would the government want to change the current system?

Mrs Greene: A lot of areas of Ontario do not have the opportunity we've had for the last number of years in Thunder Bay to have a really good working relationship with a placement coordination service. We've been very fortunate in that area. Our greatest fear now is that this will change. We want to keep what we have now because it works well. I think that across the province there are others not as fortunate as we've been.

Mr Wessenger: Thank you for your presentation. There are some points you raise that I think we could use some clarification on with respect to ministry staff. One relates to the question of the exclusion for admissions on page 4 of your brief, and I'm going to ask ministry staff to comment on that. The second point raised was the question with respect to confidentiality. Again, I think we could benefit from ministry staff to clarify those areas.

Mr Quirt: The three examples provided on page 4 of your brief were examples that were given by ministry staff in a document to explain the improvements in the scope of the nursing program that's proposed for nursing homes and homes for the aged, and these are examples of things we would not expect to be done in a nursing home or a home for the aged.

As I mentioned to the committee earlier, our rule of thumb was to allow nursing homes and homes for the aged to deliver the same scope of nursing programs that is currently delivered by the Victorian Order of Nurses and other community nurses in people's own homes in Ontario.

As mentioned earlier to the committee, facilities will be allowed to refuse to admit an individual, based on reasons prescribed in regulation, and while those regulations have yet to be drafted, the emphasis of those regulations will be to allow facilities to refuse to admit someone if they are not capable of meeting that person's needs.

To give you a concrete example, that may be someone who is cognitively impaired or perhaps a behavioural problem and the facility would not have a secure area or the level of training of staff to deal appropriately with that person's needs, or it may be because of the physical design of the building and the fact that a special wheelchair might be required for a resident who couldn't be accommodated in the facility. We wish to allow facilities the right to refuse admission, based on reasons protected in regulation.

The Chair: Would you have any comment you'd like to make on that?

Ms Kennedy: Well, I think that's encouraging to hear. I guess the difficulty for us is the unknown and the fact that the regulations aren't in fact developed at this point.

The Chair: This is on Hansard. Did you have another—

Mr Wessenger: I think there's another point we're going to have clarification on, the confidentiality matter.

Ms Gail Czukar: You were commenting on the—

The Chair: Sorry. If you wouldn't mind just identifying yourself.

Ms Czukar: Sorry. I'm Gail Czukar. I'm a lawyer with the ministry who helped to draft this bill. At the parliamentary assistant's request, I just wanted to address the points you raised, I think it's on page 5, regarding inspectors, concern about records being removed from the premises and being kept confidential.

I guess there are just two points. First of all, it's a code for what inspectors "may" do, and that's the phrasing; it's not a code for what they "must" do. Obviously the first preference of an inspector would be to obtain copies of records on the premises so as not to have to remove them. That's not possible in every facility, or if the facility refused to do that, the inspector would have to have the authority. You couldn't get a court order without having some authority in legislation to have access to those records, and that's why we needed to create the authority.

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The other point regarding the protection of confidentiality is that if the inspector were to mishandle the information or the records got out in some way, the crown, being the employer of the inspector, could be sued for that. Although the inspectors can't be sued personally, the crown maintains its liability and that's in the section right after the one having to do with the inspector's powers.

One further thing with respect to who the inspectors are: I think it states that it would be a director, which includes program supervisors or another person appointed by the minister. If you wish further information on that, Mr Quirt might be able to say who those people are.

The Chair: Any other thoughts on that? I'll go then to Mr White.

Mr White: I just wanted to commend you on your excellent presentation. I have been struck, certainly this morning and this afternoon, with the incredible quality here in Thunder Bay, the way in which you as a community have gotten together and are really supportive from one facility to another, the number of interagency groups and support that is so obvious here.

When you say at the end of your brief, "Where we have it right, let's keep it right," that's pretty obviously the case here in Thunder Bay. Ms Kirkpatrick presented in terms of placement coordination services, but I'd also already heard so many times from other presenters about the quality of her work and how supportive they are. I hope that along with Ms Kirkpatrick and Ms Steven and the work of their group—you have it right here. Let's take that as a model for how other communities and other regions should be functioning.

Ms Kennedy: Thank you. We are very proud of the work we've done here and I think you're absolutely right: We have shown what works and what works well and we offer that to you.

Mrs O'Neill: I have a couple of things, just to follow on that one. I presume you have some fears or you wouldn't end with that powerful statement, "Where we have it right, let's keep it right." I'd like you to put your answers in that kind of context because I'm very happy, Ms Kennedy, that municipal officials are coming forward to the hearings in Thunder Bay today. I think it's very much a municipal issue that we're into, and not every municipality is making its views known.

I also was very interested in your phrase about "inspecting quality in." I'm going to certainly mull over that one quite a bit. I think that's very good.

My question centres on the changes you foresee—or perhaps fear, in that you don't have a lot of details—that can take place in the role of either the social services department of municipalities or, indeed, the role of municipalities themselves with this bill. I see you as front-line accountable people in every community; every member of a municipal council has been duly elected and is very accountable. What do you see as a possibility of a change of role of the council and the social services department of the municipalities as a result of this particular bill?

Ms Kennedy: Good question. I don't know that.

The Chair: You may muse aloud if you like.

Ms Kennedy: Mrs Greene will give some response here.

Mrs O'Neill: Okay, thanks.

The Chair: We encourage musing and reflecting.

Mrs Greene: Just from the aspect of the placement coordination service, if it took over all of the roles—if you read through the act, you read through any other literature we've had, the accountability seminars we were on in Toronto in December—the added responsibility they may take on, apart from what's presently happening in Thunder Bay, may preclude, say, the city social service workers from doing the actual assessments in advance. It may; I'm not saying it will. It's just that there's this fear, because the way we do it now is working so well, we have a fear of change and it's not necessarily the fear of change for something good; it's just that this city has been through the bad. We focused on that in the 1970s; we came up with plans in the 1980s; here we are in the 1990s with a good working PCS and we don't want to change that.

I guess it comes back to the fact that we've been the gamut while some communities down east are just getting into that. We've actually run that whole scenario already, so we'd like to keep what we have now. We'd like to keep the involvement we have with social service workers. They are the people who are competent in looking at a whole range of community services. They are qualified in means testing, counselling services and that type of thing. They're doing quite an excellent job at it at the present time.

Mrs O'Neill: Do you have anything further, Ms Kennedy?

Ms Kennedy: I think Mrs Greene's covered most of it. The issue is maintaining control over it at a local level, and I think that's important because it allows for the feedback to come directly to us rather than through another way.

The Chair: Thank you very much for coming before the committee this afternoon. We appreciate it.

HANDICAPPED ACTION GROUP INC

The Chair: I would now call upon the representatives from Handicapped Action Group Inc. Would they be good enough to come forward. We welcome you to the committee. Once you're comfortably ensconced, would you be good enough just to introduce yourselves to the committee.

Mr Rick Miles: Good afternoon. My name is Rick Miles. I am the administrator of the Handicapped Action Group in Thunder Bay. Beside me is Mr Allan Buchan. He's the executive director of the Handicapped Action Group.

Before I begin, let me give the regrets of Dorothy Faulconer, who is our president. She was unable to be with us today as she had another commitment.

The growth of the consumer movement in Ontario during the past two decades has adopted the inherent philosophy of fostering self-determination and acceptance of responsibility among disabled people to exert a high degree of control of their lifestyles. Persons with disabilities, much like their fellow Ontarians, desire to exercise their choice of where to live, work and spend their leisure time.

There continues to be an absolute recognition of the consumer movement that when persons with disabilities are willing and choose to make decisions regarding their lifestyle, community-based support systems must be available to encourage the goal of independence and empowerment which are the foundations of our movement. It is within this philosophical framework that we will address the initiatives contained in the long-term care reform.

Before we get into the reform, let us register from the beginning our considerable frustration and dismay regarding the process of implementing the long-term care reform. This initiative of reforming the community and social health care system began on May 30, 1990, when the Honourable Charles Beer, then the Minister of Community and Social Services under the previous government, announced the release of the white paper Strategies for Change, which proposed a comprehensive reform of Ontario's long-term care services.

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Since that time, consumers of northwestern Ontario have been inundated with formal and informal consultations regarding the subject of long-term care reform. Numerous written submissions by a variety of consumer groups have been prepared and forwarded to local regional offices of long-term care. Notwithstanding the very crucial importance of community consultation, both the political leadership and government officials should recognize the consumer perspective regarding long-term care after almost three years of discussion.

With regard to accessing support services under a long-term care model, it is crucial that the very important principle of consumer choice be maintained. The proposed creation of a service coordination agency appears to severely restrict individual choice as the bureaucratic structure of intake and assessment of need by paid professional staff would appear to be based on the outdated medical model of "treating" individual disability need rather than providing the accepted precept of autonomy in selecting one's own services.

If in fact the local service coordination agencies, or anybody who resembles the agency that talks about long-term care, are to become a reality, senior and young disabled consumers will insist on strong representation in the composition of the agency. This can only be achieved by ensuring that at least 51% of the membership of any placement agency is composed of consumers. In establishing the composition of the agency in this manner, the service system will be more responsive and inclusive to address the needs of our senior population as well as young adults with physical disabilities.

Not unlike our society at large, the disabled community is quite diverse, accounting for the different needs and aspirations within it. The challenge of long-term care reform is to recognize the diversity of the two target groups and account for varying degrees of age, lifestyle choices and vocational opportunities. In addition, the degree of exercising choice and independence may vary widely from a young university student who may require external daily personal assistance to perform his duties as a student; compare that to another individual who chooses to spend most of his or her time at home. Implementation of long-term care systems therefore should be extremely flexible to accommodate the individual, despite his age or her disability.

For long-term care reform to be successful in providing community resources and health services on a daily basis, resources must be available to centres such as the Council on Positive Aging and the Independent Living Centre, which is only one of approximately 15 in Ontario. The purpose of these community-based centres is to promote independent living concepts and to assist members requiring support services to understand the complexity of utilizing services so as to access a service which would be most suitable to individual needs. Centres such as the Independent Living Centre and the Council on Positive Aging should receive direct funding to educate consumers to direct and manage their own personal care. Centres could provide management and accounting seminars for consumers who wish to manage their own personal affairs.

In addressing the matter of the direct funding model, Mr Chairman, we talked to you about three years ago about a pilot project. Consumers with physical disabilities have been calling for a project through the Attendant Care Action Coalition since 1989. The direct funding model to enable consumers to employ, train and supervise their own personal assistance is not a new concept, as variations of this model have been implemented by the BC and Alberta governments as early as 1981.

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The Redirection of Long-Term Care paper refers to the distinction between essential and optional services. Optional services defined as housekeeping, shopping and meal preparation should not be regarded as a separate component or as optional for consumers who require personal care services. Unless this distinction is made and services are clarified, confusion and disagreement will occur as to what is defined as an essential service. If I require personal care, I don't want a person to help me get dressed and another person to put the coffee on. It would seem foolish to have that.

The shift of the funding policy from institutional care to community-based services corresponds with the sense of reality of what is occurring in Ontario today. The reallocation of $37.6 million from hospital facilities to long-term care and support services in the community is most welcome as a new philosophical stance emphasizing community-based rather than institutional care. The provincial government also has committed an additional $647 million per year for long-term care by the fiscal year 1996-97. The consumer movement of northwestern Ontario hopes that these expenditures will be used in such areas that will improve the quality of support for seniors and persons with disabilities who require services to live in the community.

If I may add a few more comments, when the committee is talking or deliberating about people in chronic care facilities or homes for the aged, it's very important for committee members to realize that consumers in those types of facilities constitute between 5% and 7% of the total people who require care in the community.

Although we are very pleased and very happy at the redirection of dollars from institutional care to community care, we are somewhat apprehensive from what we hear, not only in Thunder Bay but across northwestern Ontario, about the number of beds and the number of institutional closings.

As far as the consumer perspective is concerned, we would support it if more attention is placed on what is needed in the community and there are programs to accommodate a chronic care person now in the hospital who would like to move into his or her home or apartment.

Thank you very much. We will any take questions.

The Chair: Thank you very much, and thank you for your submission, which I think sets out a number of the concerns that have been expressed by those who are physically disabled. I know we've got a number of questions. We'll start with Mr Wessenger.

Mr Wessenger: Thank you very much for your presentation. I really appreciated hearing from a consumer point of view and hearing your support for the emphasis on community care and support for independence and support for having the legislative changes which will allow pilot projects to be set up.

I do have a question about your comments on placement coordination. You were somewhat critical in that area, and I would just like to say that we've heard comments today very supportive of the way the placement coordination agency works in this community. I wonder, do you have the same perspective, that it works well in this community?

Mr Miles: Yes, we would agree that it works extremely well. However, our philosophy is that a consumer should have a say in where he or she is placed in the community or the facility. If the consumer is unable to make a decision because of the degree of disability, then we would support his or her family or an advocate being included in the decision whether the person should be placed in the facility or a community placement.

I think what the long-term reform does is that community placement can be creative and dynamic. Through the Handicapped Action Group, since 1979 we have been able to serve consumers who required and who are now requiring up to six or seven hours a day assistance in the community. I think there's an opportunity to be very creative, but the bottom line is money. We need the dollars transferred from the institutional level to the community level.

Mrs O'Neill: Thank you so much for coming. Every brief seems to have its own perspective, and yours certainly has a very firsthand perspective. I wanted to go back to something you actually said and see if you could tell us a little bit more about what you mean, because I think this particular sentence is very important.

You don't have the pages numbered, so I'll have to just read it, "Implementation of long-term care support service system should be extremely flexible to accommodate the individual need of a diverse target group." I guess I'd like you to try to be practical for a moment, even if you can only give us one or two examples, of what you mean by the support service system being flexible.

Mr Miles: When we spoke in that paragraph in terms of the system being flexible, if you recall from the paper, the long-term care refers to two target groups, meaning the elderly and people with physical disabilities. What we have seen is that the service system should have a variety of choices that will correspond to the needs of these groups. The example I gave is that the serving needs of young men and women who happen to be 21, 22 who are quadriplegic would be very different from, say, people in their elder years who have different expectations upon themselves and the service system.

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Mrs O'Neill: Are you therefore worried about these two target groups being in the same piece of legislation?

Mr Miles: No, I think we are not worried about being in the same piece of legislation, but the legislation has to be flexible enough to be able to give options and allow consumers themselves to come up with an option that they think of themselves.

Mr Jackson: Rick, we very much appreciate your presentation. We don't get opportunities to hear from the differently abled community as much as we should, especially since we don't really have a clear understanding of how long-term care will apply to your friends and those you advocate for.

I'm nervous that the legislation in this bill simply still says that the ministry may from time to time, out of money appropriated by the Legislature, make grants etc on behalf of the disabled who are at least 16 years of age to assist them in obtaining goods and services that they require as a result of their disability. Do you not find that too limiting and too uncertain in terms of your future?

Mr Miles: I would have to think about that. Maybe you could expand on your question.

Mr Jackson: Basically, even though it's mentioned in legislation, the word is very clear that the program may occur if the moneys are sent from the Legislature to empower and enable you to acquire the services that you wish. It's not an as-of-right situation for the differently

abled community in Ontario. Is that of concern to you, that although it's mentioned in legislation, it's not entrenched in legislation?

Mr Miles: Yes, and it will be interesting when the regulations are drafted, which they are not now, to see if it's mentioned, the criteria and the mechanisms provided to establish direct funding. There was an announcement in January, I believe, of a direct-funding pilot project. However, that model is not satisfactory as it only allows direct funding to go to the individual. It didn't allow funding, for example, to go to a broker or a service agent who can buy service for that individual. An individual may not want to handle money and may not be able to, but still the consumer may want to direct his own services and have a broker take care of the paper work. So we see that as very limited.

Mr Jackson: If time permits, another brief question: I'm fairly involved with Community Living. They are differently abled members of our community. They're not included in this legislation, but they've expressed concern that their current group home arrangement, in terms of access and deinstitutionalization, may be put in a competitive situation where what you may wish to be an effective placement for you in the community may be utilized by the government, through placement coordinating agencies, for Down syndrome children, as what the government may determine as an appropriate placement for someone who's differently abled but not with Down syndrome.

That is a concern that's been expressed and I wonder if some of your friends and coworkers in the movement have been discussing this, because separate legislation from this is enabling the government to make those kinds of placement decisions, which is a key issue here in terms of the gaining of services.

Mr Allan Buchan: I think the key question in terms of the legislation, in the design especially, is that it's important that in any legislation the definition of choices is definitely built into it and strictly adhered to so that the individual and/or his advocate will have the choices that will allow him to live as independently as possible.

The Chair: The parliamentary assistant just wanted to clarify a point.

Mr Wessenger: I'd like to clarify this. If I'm incorrect, I'll have staff correct me, but I understand that under the existing legislation we can now fund agencies to deliver services to the physically disabled, and the reason the legislation is worded to provide for direct payments to the individual is that we couldn't do that. So it's really extending a right from what already exists. There is presently the right to fund the agency to deliver services, but there's not the right to fund directly to the individual, and the reason for the legislative change is to do that.

If I might just comment on one other aspect raised with respect to the language in the legislation, it should be noted that the words "physically disabled" were dropped from the description to just say "disabled" to open up the prospect at any future time and to leave open the situation for direct funding to persons with developmental disabilities.

Mr Jackson: But your current position is to exclude them.

Mrs Caplan: No.

The Chair: Just one second.

Mrs O'Neill: Could we put that on the record?

The Chair: Mr Jackson, do you want to just put that on the record? Your mike wasn't on.

Mr Jackson: Thank you, Mr Chair, and I apologize for interrupting.

The Chair: Please go ahead.

Mr Jackson: As I understand it, there is a current exclusion for certain disabled groups per se from long-term care. You've just indicated that this allows you more flexibility to expand the list, but your current statement from the minister is that there are some groups that are excluded; they're not all included. Is that not correct?

Mr Wessenger: I think it's fair to say that at this stage we are only funding the physically disabled, but that doesn't mean that there will not be future policy changes to move into an extended direction.

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Mrs O'Neill: Mr Chairman, I'm sorry. This a very confusing discussion between two members of this committee, and I think it's an important discussion. Is there a promise to investigate? Is this under consideration? Where are we with this? The last statement of the parliamentary assistant was far more confusing than his first. Could we have it clarified if the developmentally disabled are under consideration for inclusion in this bill or not?

Mr Wessenger: I think it's quite clear that the legislation permits them to be included.

Mrs Caplan: Is it the policy intent of the government to include that population?

Mr Hope: Yes, the minister—

Mrs Caplan: Just a minute. I'm questioning the parliamentary assistant. That's fair.

Mr Hope: Well, it is dealing with Community and Social Services. Perhaps I can answer that question.

The Chair: Excuse me. We have two parliamentary assistants.

Mrs Caplan: Well, perhaps—

The Chair: Order. Just one moment, please. If the Chair may have the floor, we have two, indeed we have three parliamentary assistants with us—

Mr White: Four, five.

The Chair: Well, three related to this bill.

Mr Jim Wilson: Get an extra paycheque.

The Chair: I would like to give Mr Hope an opportunity just to answer that question because he is the parliamentary assistant to the Minister of Community and Social Service. Did you want to add something, Mr Hope?

Mr Hope: The past minister and the future minister still support the issue encompassing them in the broader conversation around long-term care and how the disabled community will be a part.

Mr Jackson: But not in funding policy.

Mr Hope: I know the minister has made it very clear that she's an active advocate on behalf of the disabled community to include it in the long-term care discussions.

The Chair: One last comment on this and then we'll move on. Did you wish to add something, Mr Quirt?

Mr Wessenger: Yes, the ministry staff may wish to add something.

Mr Quirt: The amendment to the Ministry of Community and Social Services Act would allow for a direct funding arrangement for disabled people, and included in that would be elderly people who were frail and disabled if they are capable of managing their own care and if they would be eligible for services as defined under the new range of programs and services to be delivered in the community through long-term care. The alternative would be there to provide funding directly to the individual.

The discussions are under way now with the consumer representatives of people with physical disabilities, but the option is there for someone who is eligible under the community service program to receive funding to manage their own care, whether they're disabled and elderly, a young disabled person or disabled with respect to a developmental disability.

The eligibility criteria for the new in-home services program, changes to the home care program to improve the range and scope of services to be delivered, would be a determinant to determine who might be considered for a direct funding pilot, and it's on those eligibility criteria and the process for organizing the direct funding project that we're consulting with representatives of the physically disabled community currently.

Mrs Caplan: That's very helpful. Is it the intent of the ministry then that this piece of legislation would do away with the need for individual orders in council that are sometimes used now to assist individuals who are ready to move out into the community as part of an attendant care program, but would fall outside of the target groups that long-term care originally identified?

Mr Wessenger: I will certainly ask the ministry staff to comment on that again.

Mr Quirt: It would eliminate the need for some orders in council, because as Mr Wessenger has pointed out, we do not currently have the legal authority to fund an individual directly under the Ministry of Community and Social Services Act. There may be situations that the government would wish to consider with respect to orders in council beyond the scope of eligibility of what is proposed for the long-term care redirection, but certainly there would be fewer requirements for orders in council.

The Chair: Thank you. I think I might suggest that this will be a most interesting Hansard to peruse later. As the Chair, I'm going to exercise the authority I have in controlling the mikes. I still have a couple of quick comments.

I think one of the points you made, and I can recall you making it to me—I was going to say that not only was your organization progressive but it was often very aggressive, and I think I still have some of the marks to demonstrate that. But I think one of the points you make, which is very important and where I think a lot of progress has been made in terms of the broader understanding of people, but where, quite frankly, we still have a lot to learn—Rick, it was in your answer—is around recognizing that there are at least two very different groups that we're trying to deal with in this legislation, perhaps even three, and how important it is to recognize the differences. In the flexibility of the system and the way in which it is going to be implemented, we need to be very conscious of that. I thought that was put very strongly and well in your brief.

My final point is, are you going to seek to set up one of the pilot projects?

Mr Miles: Oh, we are. We haven't made application yet.

The Chair: Okay, very good. Thank you very much for coming before the committee this afternoon, we appreciate it.

ASSOCIATION OF DISCHARGE PLANNING COORDINATORS OF ONTARIO, NORTHWEST SUBREGION

The Chair: I now call upon our next deputation, the Association of Discharge Planning Coordinators of Ontario, Northwest Subregion. We welcome you to the committee. We have a copy of your brief. Would you just be good enough to introduce yourselves to the committee and for Hansard.

Mrs Hazel McLean: I'm Hazel McLean. I'm manager of the discharge planning department at McKellar General Hospital and I've worked there for six years. Prior to that, I worked for 16 years for VON home care.

Mrs Susan Portfors: My name is Susan Portfors from Port Arthur General Hospital. I'm continuing care coordinator there.

Mrs Hazel McLean: Susan and I are going to share in the presentation. I'll do the first half and then Susan will complete the presentation.

Mr Chairman and members of the committee, thank you very much for offering us the opportunity to participate in this very important hearing. We are speaking on behalf of the members of the Association of Discharge Planning Coordinators of Ontario, Northwest Subregion. Our members provide discharge planning coordination in acute care hospitals across the district as well as in one rehabilitation-chronic hospital.

As discharge planning coordinators, we play a pivotal role in our facilities in assessing and coordinating plans with patients who require long-term care. A discharge planning service assists in early identification and assessment of the patient's needs and implements timely discharge plans that enhance continuity of care as well as efficient use of hospital and community resources.

Some of our services are also involved in the coordination of hospital-based community support services such as respite care, day hospitals, lifeline programs and emergency response systems.

Often the onset of acute illness in the elderly results in a decreased ability to live independently in the community; thus the decision to apply for institutional care frequently

occurs during a hospital stay. Wherever possible, patients are assisted with arrangements for support services to allow them to return to the community.

We believe our role as providing liaison between acute care, long-term care and community care allows us a unique perspective of the changes that will be implemented by Bill 101.

We would like further clarification of some issues as well as an opportunity to suggest some changes to the amendments. The following are the points that require some clarification:

Age: We understand that age restrictions have been deleted from the Homes for the Aged and Rest Homes Act. Will these facilities be able to admit all age groups in the future? And what plans are there to ensure that facilities that in the past have had a focus for geriatric care will be able to meet the needs of younger age groups?

Frequency of application: There is reference in the amendments to prescribing the frequency with which applications may be submitted. What does this mean, and why should you place restrictions on the frequency of application? We fear this may influence applicants to accept placement at a time when perhaps they could have remained a while longer in the community. The application for placement is an ongoing process of assessment, and the applicant needs to be able to have the right to refuse without the fear that it will affect a future application.

The role of placement coordinators: The goal of establishing a single point of access to facility services receives our full support. As you know, Thunder Bay has the advantage of an excellent placement coordination service, and as discharge planning coordinators in Thunder Bay we work very closely with this service.

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However, Bill 101 appears to give the placement coordinator a much stronger authority than we experience with our present system. We believe the system should not invest such control in this position but should continue to provide some autonomy for the long-term care facilities in determining eligibility.

The system in Thunder Bay has enjoyed full participation in the past on a voluntary basis by all the long-term care facilities. By allowing the facilities to further assess the recommendations of the placement coordinator, consideration will be given to the suitability of the applicant to that particular environment, as well as an assessment of service needs.

We strongly recommend changes to this amendment to allow the facilities to participate with the placement coordinator in determining if the applicant is eligible for admission. The system will be much more effective if the placement coordinator collaborates with the facilities rather than imposing total control.

Funding: The amendments which change the existing funding arrangements to provide a more equitable and needs-based funding for facilities have long been needed. As facilities move towards providing all levels of care, funding must be adequate for staffing, equipment and education of staff so that new services can be provided.

An ongoing difficulty that discharge planning coordinators face occurs when residents of long-term care facilities are admitted to hospital for acute care treatment. If they cannot return to their home, either due to a change in level of care or due to the length of the hospitalization required, there are serious consequences. Aside from the stress that this places on patients and families, these patients often require a prolonged stay in acute care hospitals until another facility is available.

At this time, I'd like to turn the mike over to Susan to complete the presentation.

Mrs Portfors: In our community, there are many people occupying acute care beds while they await placement. The total among the three general hospitals is usually around 80 to 100 people at any one time. These are people who require care that is not available in the community which would meet their needs.

Bill 101 states that in special circumstances specified in the regulations, the director may authorize an increase in the licensed bed capacity of a nursing home for a period of time. If our community continues to have long waiting lists of eligible applicants for long-term care, would this be viewed as a special circumstance in the regulations? It needs to be stated whether the director would be required to increase the licensed bed capacity or whether this would just be an option that may be considered. Any delay in securing a transfer to long-term care constitutes a misuse of costly acute care beds and can result in beds not being available for acutely ill patients.

With regard to eligibility criteria, we believe it's very important to have information about these regulations and to have an opportunity to respond to them during their development. This issue, as well as the procedure to manage the waiting lists, needs to be examined.

With regard to the appeal process, once determined ineligible, the applicant can appeal the decision. However, the appeal process through the Health Services Appeal Board and district tort system would result in undue delays in resolving such matters. This is a grave concern to acute care hospitals, because we have to continue to provide care for clients while their appeal is in progress.

Currently, the Health Services Appeal Board is only a six- to seven-member group, with hearings held only in Toronto and a usual response time of three to four months. Although Bill 101 is explicit concerning the length of time an applicant has to request an appeal, there is no mention of the minimum time the board has to respond to the appeal, and this point needs to be addressed.

For the suggested system of appeal to be a workable option, hearings should be held throughout the province or decentralization should be considered to create additional appeal boards in different geographical areas. This will allow attendance by the applicant or his or her representative at the hearings. Further, a suggested reasonable length of time for such an appeal should be no longer than 14 days.

Bill 101 does not mention who would bear the cost of such an appeal. It is our opinion that the applicant should not be responsible. This would only deter those in our society most in need from seeking fair treatment.

With respect to the statement in the bill that "One member of the appeal board constitutes a quorum and is sufficient for the exercise of the jurisdiction and powers of the appeal board under this act," it is our opinion that a quorum should be a minimum of three members of the appeal board. Since the issues to be examined are of paramount importance to the applicant and to planning his or her future health care provision for some time to come, no single opinion should determine such a serious matter.

We'd be happy to entertain any questions you have.

The Chair: Thank you very much. I wonder if you wish, just for the record, to indicate the other persons at the end who are also in support.

Mrs Portfors: The other discharge planners consulted about the response to Bill 101, in addition to Hazel and myself, are Peggy Kostyshyn, discharge planning coordinator, St Joseph's General Hospital; Karen Maddox, discharge planning coordinator, McKellar General Hospital; and Paula Donylyk, manager, social work department, Hogarth-Westmount Hospital.

Mrs Fawcett: Thank you very much for coming and for your presentation. I was interested in the part around the age restrictions. Do you see any future need for changes to even the structural buildings, or changes to the kind of services? Could you enlarge a little bit on what you have here?

Mrs Hazel McLean: I would think there would be need for changes for, as well as structural, a lot of the types of services to meet the needs of younger age groups. In our hospital, we also have a chronic care unit and we have residents who are younger and the needs are different. They're out and about in the community a little bit more; they want to be involved in more educational programs. Their social needs are certainly very different.

Mrs Fawcett: Again, the idea of capital funding must come up as to how you are going to incorporate these changes and who pays.

Mrs Hazel McLean: That's right. I think I also had concern that when you first start admitting younger age groups—if you're admitting people in their 30s and 40s to a home where the average age is 88, as we heard earlier, in some of the homes for the aged, I would have some concern about that.

Mrs Fawcett: One other thing: Just what role do you see doctors playing in placement coordination and how do you work with them now? Do you see any need for change there?

Mrs Hazel McLean: We work really closely with the physicians. When we receive a referral to begin an assessment, it's often the family physician who's been looking after this patient in the community for the last many years who certainly can identify and get us on the right track with him or her. I think the physicians have to have the key role in all of this as a really important member of the health care team. I'm glad you asked that question.

Mrs Fawcett: My colleague has a question.

Mrs Caplan: Within your facilities, do you know if the new classification system was tested or applied to the patients who would qualify as long-term care patients either presently in the chronic hospital or in acute beds?

Mrs Portfors: My hospital offers acute care only. The hospital where Hazel works has a 25-bed chronic care unit within it. In terms of acute care, it was not applied.

Mrs Caplan: But the question I have is that even though your hospital provides acute care only, you told us there are a number of long-term care patients occupying those acute care beds, and I just wondered whether you had looked at the care requirements of those patients under the new classification system, or whether you do that as part of your discharge planning; whether you've applied the new patient classification system to determine what kind of placement would be appropriate for those patients.

Mrs Hazel McLean: Because we work through the placement coordination services in the city, we continue to use the application that is provided by that agency. They determine the level of care; we don't determine it in our hospital. All our applications go through placement coordination services here. And no, in our hospital we haven't used the Alberta classification tool for those waiting in acute care.

Mrs Caplan: We've heard from many people how satisfied—I think that's a fair word—all of the partners in Thunder Bay and district are with the system as it's functioning now. The request has been made of this committee that Bill 101 not interfere with that and that the bill be flexible to allow a well-functioning local community such as Thunder Bay and district to fit within this new legislation. Do you echo that?

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Mrs Portfors: We would agree with that also. We support that our PCS is able to respond flexibly to the needs of our patients who apply for long-term care and resolve issues that come up between facilities very well because of that flexibility.

Mrs Hazel McLean: I just wanted to add to that. I wanted to clarify that all the hospitals in the city are members of the PCS board as well as community agencies, and that's an important role for us.

Mrs Caplan: The last question I have is, have you considered any specific amendments to Bill 101 that would give it the flexibility you require in order to be able to fit within the framework of this legislation at the same time as maintaining and not having to, as has been said, throw the baby out with the bathwater; in other words, keep what's good, and don't try and fix that which isn't broken?

Mrs Hazel McLean: We would really like to see a change in the amendments to state that the placement coordinator makes recommendations, that she doesn't have such total control in making the final decision. Because we certainly have had situations where placement coordination may make a recommendation about a patient waiting in our facility, and then representatives from homes for the aged or a nursing home will come over and review that recommendation and assess it further and may in fact decide that the applicant is not appropriate, for whatever reason.

Sometimes that results in a lot of negotiation by all of the people involved, but I think it ensures appropriate placement for the applicant. It just allows some checks and balances in the system and doesn't put all the power in one area.

Mrs Caplan: I just raise one last point. If that were in place—and that's the carrot that would allow for those negotiations, of course—what if those negotiations broke down? How would you ensure that you got everybody to the table? Would there be an appeal you'd recommend in that kind of situation, or who would you have intervene if all else fails?

Mrs Portfors: Currently PCS does have an appeal process, which means that we resubmit new current assessment forms on the client and he or she is looked at again. They do get resolved, because we have a variety of levels of care within our city. There is an appropriate list that the patient can go on, so that helps to resolve it.

The Chair: Thank you. I feel the Chair is becoming soft as the afternoon progresses. Mr Wilson.

Mr Jim Wilson: Thank you for your presentation. I don't have any questions except that I'll ask on your behalf for a clarification I've asked for before. I think you'll find the answer to be rather enlightening. Through the parliamentary assistant, I ask for a definition of "special circumstances." In the section that allows the director to increase bed capacity, the term "special circumstances" is used. Perhaps you can enlighten us on what's envisioned in that term.

Mr Wessenger: Yes. I'll ask staff to indicate what would be the special circumstances.

Mr Quirt: A special circumstance might be a nursing home or home for the aged closing as a result of a decision to close or as a result of a problem with a particular facility: a physical problem, a fire or something like that. It would allow us to temporarily increase the capacity of nursing homes in the area to care for residents displaced from another facility for a period of time. This has been done on occasion when facilities have closed or when a facility is unable to take new admissions perhaps because of an outbreak of a disease in a facility that resulted in admission to another facility in the neighbourhood. It allows us to increase the service capacity in a particular community for a temporary period of time in one nursing home when another one for some reason is unable to serve the clients who we ordinarily serve.

Mr Jim Wilson: Perhaps I could ask how many nursing homes are experiencing financial difficulty. If one nursing home happened to fall, would that constitute special circumstances in an area?

Mr Quirt: Yes. Two nursing homes have closed recently as a result of the ownership deciding they could no longer continue in the business. In one case it was the result of ministry staff and the owner concluding that the structural situation of the facility was no longer appropriate for residents. In the case of those two closures, we worked with the placement coordination service in the area and the staff of the facility to ensure that residents were transferred to facilities of their choice in the area.

When a resident chose a facility where a bed wasn't available within the allocated number of beds in the facility, we overbedded that facility—that's the term used within the government—to allow that facility to care for the resident who wished to go there. If, for example, a nursing home were overbedded by five or six beds, it would eventually, through the normal flow of residents through the facility, come back down to its approved bed level over a period of time.

Mr Jim Wilson: What if through natural causes, for lack of a better term, a nursing home had a reasonably lengthy waiting list? Would that constitute a special circumstance? Because I think that was sort of implied in the witnesses' questioning, and we've heard that from other witnesses, that when they read that clause they think maybe it's a way to get some more beds. I want to make sure the record is clear on what the government's intention is.

Mr Quirt: The clause is not intended to deal with the length of the waiting list in a particular nursing home. The clause allows nursing homes to be overbedded in exceptional circumstances where a community needs to be able to care for people who are already in the system, or some other unforeseen difficulty affects the capacity of the system to care for the people currently in it.

Mr Jim Wilson: Mr Chairman, I was wondering if I might give a supplementary back to Mrs Caplan on that.

The Chair: It never happens in the House, but I'll be prepared to accept that.

Mrs Caplan: I'm just curious, Geoff. What happened to the licences of the two homes that closed?

Mr Quirt: In the case of the two facilities I've mentioned that closed recently, both homes were in receivership and the receivers, acting on behalf of the creditors, are attempting to sell the nursing home to another operator.

Mrs Caplan: So the ministry had no way of taking those licences back.

Mr Quirt: At this point in time it's not our intention to reduce the number of beds in the long-term care system. It is our intention, as stated in the consultation paper, to take advantage of opportunities to more adequately and more fairly distribute them. Any proposed sale of a nursing home licence is subject to ministry approval and we would take into account the relative requirement for beds in the community where the nursing home closed and the community to which those beds might be going and would support proposals that would redress the inequity in bed distribution currently in the province.

Mr O'Connor: I want to thank you for coming today and making your presentation. Of course, as we go around the province, we'll be hearing from a number of people and hearing a different variety of views, and from those views we'll try to improve and enhance what we have now. In doing that, of course, we ask some questions and try to glean from you some of the expertise you have that we don't have.

I was just looking at page 5 of your brief, and you talked about the appeal process. We've heard from a number of people, and of course the Health Services Appeal Board—right now it's quite often a lengthy process and it's a process that's not as consumer friendly as it should be.

You've suggested that the length of time of the hearing should be no more than 14 days—we've heard 30 days—and you question the quorum. I guess from you I'd like to ask—in expanding that quorum we may be actually putting more delays into it. With a quorum of one, there's quite a bit of flexibility because only one person from the board then has to travel in some cases to a hearing.

I just thought maybe I'd like to hear you expand a little bit on the appeal process, and you may have something that could help us make the process as friendly to the consumer as possible, because ultimately it's their care that we're worried about and trying to improve.

1550

Mrs Portfors: It's our opinion that the decision of the appeal would determine whether the applicant went on to district court or not. I think the applicant needs to receive fair treatment but also needs to feel that he got fair treatment. When the appeal response comes back to the applicant, I think when you are receiving the opinion of one person it does not carry the same weight that the majority of a group of three might hold. I think these are important issues.

I don't foresee a lot of people going on to an appeal situation, and for the numbers who do go on and seek out an appeal, I think it's fair that they get full attention to the issue they want reviewed. I think one person's opinion is just not enough, not a strong enough case back to the applicant, who then has to decide whether he wants to go on to something as serious as a district court route. If they use a quorum of three for other issues, as they do, I think these issues are just as important and just as worthy of a quorum of three.

The Chair: Thank you. Would you like to add something? Please.

Mrs Hazel McLean: I'm just wondering with respect to this issue if we couldn't look back at what our PCS system used to do here before. This morning I think Mary Lou Kelley talked about this, that at one point we had three anonymous members of a committee to review difficult applications and applications that required appeal. They were local members. I believe there was a physician, a social worker and a layperson on that committee. Those names were unknown to those of us who were applying for the appeals, but it facilitated a very quick appeal because those people met here once a week. So our community had access to those types of opinion on a local level. Surely if we can solve the conflicts at our level, it's better than sending somebody up from Toronto to help us deal with it.

Mr O'Connor: Would you then be suggesting that perhaps an appropriate mechanism may be through the district health council, having it reach the community and draw people like you suggest to take a look at an appeal before it gets to the point where it has to go to the board. Perhaps that might be more friendly to the local consumer, because we do represent a big province here.

Mrs Hazel McLean: These are people's lives we're talking about. We're not talking about whether or not you get your money back from OHIP. This is people sitting in hospital or sitting at home waiting to figure out where they're going to go, and already people are dying while they're on the waiting lists. This is going to make it even longer.

The Chair: Thank you very much. I may be wrong, but I believe you're the first representatives from discharge planners, and that has been very useful for the committee. I think the other thing too that emerged in your comments, as well as throughout the day, has been how the overall system functions in this area, and I know the committee's going to want to look at that carefully. Thank you both for coming this afternoon.

BETHAMMI NURSING HOME RESIDENTS' COUNCIL
P.R. COOK APARTMENTS TENANTS

The Chair: I would like to call on our next presenters, the representatives from the residents' association of the Bethammi Nursing Home, if they would be good enough to come forward. We can move the chairs out of the way. We want to welcome you to the committee. It's good to have representatives from the residents' association, and if you would be good enough to introduce yourselves, then please go ahead.

Mr Edward Mondoux: Ed Mondoux, Bethammi.

Mrs Ruth West: Good afternoon. My name is Ruth West.

Mrs Roberta Farrell: I'm Roberta Farrell.

The Chair: Thank you. Please go ahead.

Mr Mondoux: Good afternoon. My name is Ed Mondoux. I have lived at Bethammi for 13 years and have been president of the Bethammi residents' council for seven years. I'm also the representative for northwestern Ontario on the board of the Ontario Association of Residents Councils.

Mrs West: Good afternoon. My name is Ruth West. I am vice-president of the Bethammi residents' council. I was trained as a nurse and worked in the admitting office at Port Arthur General Hospital for 20 years. I have been a resident at Bethammi for two years.

We are pleased to have this opportunity to make a presentation on Bill 101 to this standing committee. Our residents' council at Bethammi Nursing Home reviewed the long-term care consultation document in detail and held a meeting with the ministry representative. We also submitted a written report of our concerns and suggestions for long-term care redirection. We believe that, as the actual consumers of the system, we know what it is like to live in a long-term care facility.

Mr Mondoux: We feel the nursing home bill of rights is extremely important and ensures the rights of residents in all nursing homes in the province. Our residents' council

held several workshops to discuss the bill of rights and all the rights described in this document that help us to maintain our independence and dignity and enable us to have choices in our lives.

At our residents' council meetings we can voice our concerns and resolve the issues that affect the quality of our lives. We feel a responsibility to assist those residents who cannot speak for themselves. The administration and staff of St Joseph's Heritage listen to us and respond to us. We work together to make Bethammi a good place to live. As one resident commented, "The residents' council helps me to have some control over my life."

Mrs West: We support the present nursing home compliance review process and the fact that there are specific standards that nursing homes have to meet to ensure care levels are maintained. We appreciate having the opportunity to speak to the compliance review officer when she visits. She listens to us and addresses any concerns. We also support participation in the accreditation process by long-term care facilities.

We strongly agree with the concept of a person aging in place. When we move to Bethammi, it soon becomes our home, and the other residents and staff become our friends and companions. We are pleased that we will be able to stay at Bethammi even if our care needs increase. We do not want to move from this familiar place.

Mr Mondoux: We are very concerned that there are not enough staff in the nursing home now and our basic care needs are barely met. We see residents requiring more and more care. Sometimes, because of the heavy care levels, some residents do not receive the attention they feel they should receive.

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Mrs West: There are not enough professionally trained staff to meet the needs of the residents. This does not just include nursing staff, but also physiotherapists, occupational therapists, speech therapists, social workers and pastoral care workers. All these professions are important in working to make our lives better.

We are concerned that receiving treatment from these therapies takes so long because most of them are located outside facilities and they are often very busy in the community. We believe these rehabilitation services should be directly connected to our nursing homes so that we can use them when we need them.

Mr Mondoux: Bethammi Nursing Home has always supported active pastoral care and life enrichment departments. The staff in these departments plan recreational activities that we enjoy, offer us social work services, support our spiritual needs and stay with us as we near the end of our lives.

Mrs West: There must be adequate staff in long-term care facilities to ensure that residents will receive quality care and that each resident will be treated as an individual.

Mrs Farrell: Good afternoon. My name is Roberta Farrell and I am a tenant in the P.R. Cook Apartments at St Joseph's Heritage. Before I retired, my career was in the health care field as head nurse of a medical unit at McKellar General Hospital for 17 years. Jack, my husband of 49 years, has been in Bethammi Nursing Home since 1991. My comments today will be addressed from a consumer's point of view.

It is often said that it only takes one voice to make a difference in our democratic society. This public hearing is my chance to be heard. Therefore, I appreciate the opportunity to speak this afternoon.

The ultimate purpose or goal of the bill is to give seniors excellent nursing care at a realistic cost. As the proposed bill now reads, it takes away people's right to choose where they are going to live. If you were buying a home, you would want to make your choice according to location, quality of that home and also nearness to loved ones and church. All these things affect the wellbeing of a person.

As I understand from Bill 101, if I had a sudden illness and required a nursing home, I would have to go to any facility that had an available bed. In this case, this situation would be disastrous to my family and devastating to my husband, who finds being away from me so terrible. At the present time, because my husband and I live in the same facilities—he lives in the nursing home and I live in the apartments—I am able to visit him several times a day. In fact I go twice a day to feed him, and our time together is special for both of us.

I once read a quote that stated: "Loss of control over one's life can lead to depression and even death. We kill many senior citizens by denying them choices, purposes in life or control over their lives. Many of these deaths are premature and unnecessary." Please put empathy into your deliberation and think how disruptive this would be in your own lives under similar circumstances. Please give the individual the right to choose.

Thank you for the opportunity to speak today.

The Chair: Thank you very much for your presentation. We recognize the importance of the personal side of this issue because, after all, what we're talking about is people, and we appreciate that it's not always easy to talk about those elements. But we thank you very much for coming. We'll begin our questions with Ms Carter.

Ms Carter: Thank you for your presentation. I don't think there's any disagreement here. I think you're just asking for the basic things we hope the legislation is going to help to provide. We keep hearing this fear that there will be no choice, yet I believe that is quite unfounded and part of the whole intent of what we're doing is to increase consumer choice.

This morning we heard from placement coordinators in this city, and they said the consumers' wishes are something they very much take into account now. That is their main concern and they see no reason why, under Bill 101, that is going to change. I really do want to assure you of that.

We also believe in continuity of care. I think the arrangement you have where you live in a unit and your husband is in the home is the kind of ideal situation that we see, and we want to continue to make sure this kind of flexible range of services is available to people and that people are not going to have to move from one site to another as their needs change.

I was in Elliot Lake not very long ago. The message they had for me there was that they have care at a certain level, but when people move on to needing something more, they have to leave the community and go miles away. I think we would all agree that's a very undesirable situation we don't want to see happen. All I can do is say to you that there's just complete congruence between what you're asking and what we hope we're going to provide.

You say there's a shortage of staffing. Of course that's where the money comes in but, as far as the money goes, I think you will find that as we look at the needs of the people in each institution under the levels-of-care funding, hopefully this will mean funding is provided for the number of staff actually needed to look after those particular people. Of course the extra programs, the spiritual care, the other programs people need, are also going to be specifically provided under the funding arrangements, so they should be in place too.

Mr Hope: As we get up to make presentations before government, we sometimes forget what we want to really—you embedded a message here, but I also read in the presentation you have had meetings with the council group. You've brought concerns expressed somewhat short, and I'm just wondering if you could expand some of those conversations that have taken place with some of the residents there.

I understand some of the concerns about living in the community or living nearby and going in and helping. Are there other concerns that were brought that are not in this piece of paper today about what some of the residents were saying, or is this the main thrust of what every resident was saying there?

Mr Mondoux: The main thrust.

Mr Hope: The main thrust. We've been hearing concerns about the level-of-care aspect as far as the service agreement. There was no conversation whatsoever around the service agreement that you could remember in the group or when they were talking about the placement coordinator coming in and doing a service agreement?

Mr Mondoux: No.

Mr Hope: None. Roberta, one of the questions I wanted to ask you, because you fall in the same category as my wife's grandmother—the issue about the fees.

Mrs Farrell: The fees?

Mr Hope: The fees in themselves.

Mrs Farrell: Well, I think they're realistic. It takes the pensions they get, and if you have one from your business, you do have sufficient.

Mr Hope: I guess what I'm looking at is, does it allow you the ability to function in the community and yet still provide the needs. In the new calculation, will that allow you maybe to do more in a community? I'm wondering if you went that far in looking at the fee aspect of it.

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Mrs Farrell: I don't know whether I'm in a better position than most, I worked for quite a few years, but I find a lot of the residents in the Cook Apartments always say they don't have it. I don't know whether that's an aging process. They can't be realistic to the cost of living today to what it was 50 years ago.

Mr Hope: I know in my own community, because the marriages by our older citizens lasted much longer than they do today, a lot of them are still living in the community and their partner or spouse is living in the home and they're finding it very difficult to maintain that standard of living in the community with the cost of an apartment.

Mrs Farrell: You would have if you hadn't saved all your life, you know.

Mr Hope: Yes.

Mrs Farrell: I think it would be terrible.

Mr Wessenger: I just have a quick question, and that is, we've had placement coordination in this area for some time. Has it worked well with respect to, for instance, allowing people from the apartments, when they get to a situation where they need care, to be able to move into the nursing home?

Mrs Farrell: It took about eight months. My husband has had five strokes. We were in and out of the hospital all the time, and we were always lovers, I must tell you. It got that the disability was frantic, getting up all night and helping him to the bathroom. I've had a hip replacement and I got into real trouble. Finally the family said to me, "It won't do you any good if both of you are in the hospital; it won't be good for either one of you," so we had to make the decision that I just couldn't take him back home any more. I was ready to go to Rochester, to tell you the truth. That's how much pain I was having.

The doctor was smart enough to say, "I hear you have a sick husband." I said yes, and he said, "Could it be stress?" I went out of there thinking about it and I thought about getting up every hour trying to walk him to the bathroom all night long, and it was going on to three and four weeks doing this. Once I got help, the home care service and so on, it progressed that my pain went away right away.

Then he got that I couldn't handle him. He got temperamental with the stroke. He kept calling me. I couldn't get a meal ready; he was calling constantly. Even if I had a sitter, my grandchildren to come over and sit, he didn't like that at all. He wanted me. He wanted the nurse there. He's still calling for me and that.

Mr Wessenger: Do you think we have enough of these sort of combination facilities—I think they're marvellous—where you have the housing right next to the nursing home, and perhaps even with interim and supportive housing combined? I think it's an excellent type of arrangement.

Mrs Farrell: I'm just so thrilled with my place. It couldn't be better. I just have enough room and lots of closet space. The housekeeping is just excellent at the Cook Apartments.

Mrs O'Neill: Mrs Farrell, Mr Mondoux and Mrs West, I'm very happy you've come. I want to say you have outstanding courage. You have persevered. I think the quality in you that I appreciate the most this afternoon is your responsibility for others. You've stated that and you have it. I'm also very admiring of the role in your lives

that you've stated for pastoral care, which I think is really also a very big plus.

You talk about your own independence, your own dignity and your own desire to have choice. Those of us who are a little bit younger need to be reminded of that often. My own dad certainly reminded me of that a lot, and he achieved it.

I'd like to ask you to tell me a little bit about the compliance review officer's visits, because you seem to be indicating, and I think, Mrs Farrell, you seem to indicate, that you were rather concerned about the role of the placement coordinator, if that's the terminology you're familiar with, and you seem to be quite comfortable with the compliance review officer. Could you tell us what you see as the difference now with the kinds of inspections, the kinds of discussions around placement that you foresee or fear? There does seem to be some fear in the brief.

Mrs Farrell: I realize the emergency for the acute beds in the hospital and I realize the cost of a hospital bed compared to a nursing home. They were very good to me. I have no complaints about the staff. I was in the Cook Apartments and I wanted him to be near me and I had no trouble. It was just the length of time we had to wait until he was placed. But in the new Bill 101, it looks like you're going to have to take any bed, and that means right across town.

Mrs O'Neill: We're not sure if it's just across town, to be honest.

Mrs Farrell: In small communities, it might be to Thunder Bay from outlying districts.

Mrs O'Neill: Would either of you like to say anything about that?

Mr O'Connor: You're stretching it.

Mrs O'Neill: I do not think I'm stretching it. I've brought it to the floor of the Legislature and those are the answers I've got, that there's no definition of "community" in the bill. If the government has changed that, I'd like to know right now so we can clear it up, but there's no definition of "community" written into Bill 101. We've been asking that since the day it was presented. I'm sorry, but that's true.

Mrs Farrell: May I say something else? The nursing homes are in desperate need of—my husband has two hearing aids, and while he was in hospital they were lost four or five times. The cost was horrendous. We took every avenue, from insurance to the compensation he was on, but they would only replace it so often. The girls need to be taught how to care for the hearing aids, but nobody wants to come and do it free of charge.

Another one is nails: toenails and so on. They need a specialized person in that field on the older person. I'd never realized how thick they could get as you age.

Mrs O'Neill: Thank you. I think my colleague has a comment and a question.

Mrs Caplan: Just following on what Mrs O'Neill has had to say, I believe the committee has benefited tremendously from your presentation today. I'd like to thank you. We've heard a lot about choice and flexibility. We've also heard about the need for education. This piece of legislation, we realize, is one small piece of overall long-term care reform, and you've really put an emphasis for the committee on understanding what some of those words mean.

Just a moment ago, you referred to the need for ongoing education and support within those kinds of institutions. This legislation has no requirement for that. Is that a recommendation you're making, that the ongoing education of care providers be a requirement under the legislation?

Mrs Farrell: It would be nice to have a specialist, like physiotherapists and so on.

Mrs Caplan: You've also referred to something we've heard time and again, particularly from this area, where many of the presentations we've heard have praised the system that is in place. You said you have no complaints, so it's not from the question of complaint, but ensuring that the future is responsive; that is, the need for flexibility. Can you think of any specific change in this legislation that would offer that kind of assistance to individuals to ensure that their needs will be responded to, any suggestions for the government as to how this legislation could be changed to ensure it was more flexible, or enabling, if you will?

Mrs Farrell: I don't.

Mrs Caplan: If you do think of something, you can just write a note to the committee, to the Chairman, or pass it along. I know we are looking for ways, proposing amendments to this legislation that would give it that flexibility that would enable individuals such as yourselves, who have had those experiences, to see that the future is as it is intended to be.

I want to thank you again for appearing before the committee today.

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Mr Jackson: I appreciated the comments you've raised in your brief because you touched on some new areas, and I'd like to focus in on the residents' councils. It's my understanding that the bill really doesn't speak to residents' councils, and I'm pleased that you have raised their appropriate place in the community of your residents. I think one other member of the committee participated with me when we reviewed the Nursing Homes Act when the concept was first introduced and strengthened in the bill of rights. Would you first, at the outset, recommend that we strengthen the legislation with direct reference to the residents' councils and their role to be played in the process?

Mr Mondoux: Yes.

Mr Jackson: In terms of the placement coordination, it's been suggested in at least one previous brief that residents' councils could produce representatives who could sit on some appellant board dealing with appropriate and inappropriate placements and appeals. Is that something your residents' council has thought about, or would you feel that we should work directly, that instead of a political appointment of a consumer, we went through some of the residents' councils to ask that they designate someone to assist us with an appeal process? We have

heard at length that the placement coordinating agency could become too autocratic and too fixed in its decisions, and that the appeal and the right of appeal should be swift, should be fair and should be representative of client groups. Do you support that and recommend that we put that in the legislation?

Mr Mondoux: Yes.

Mr Jackson: For the record, a little louder.

Mrs Farrell: Can you answer to that?

Mr Mondoux: I did.

Mr Jackson: The answer is yes.

Mrs Farrell: He said yes.

The Chair: I want to declare the answer is yes.

Mr Mondoux: Yes.

Mr Jackson: The third area: We have requested that the terms and conditions for the service agreements which the operators would perform—that is the agreement between the Ontario government and the owners of the facility, whoever they may be. Do you feel that the residents' councils should be consulted before that becomes the law so that you're aware of how the service agreements are structured, what they mean and what their impact will be on your lives? Is that something you'd like some input into before the government just simply goes away and does that in regulation and then gives it to us one day?

Mr Mondoux: I do. C'est évident.

Mr Jackson: Very good. Those are my questions, and thank you very much for your presentation.

The Chair: Thank you very much again for coming to the committee this afternoon and for setting out your views. We appreciate it.

ST JOSEPH'S HERITAGE

The Chair: I would then call on our last witnesses for the afternoon, the representatives from the St Joseph's Heritage. If they would be good enough to come forward. I hope we have enough chairs there; if not, grab one.

Welcome to the committee. Perhaps you would be good enough to introduce yourselves to the committee members and for Hansard, and then please go ahead with your presentation.

Mr Grant Walsh: My name is Grant Walsh and I'm the first vice-chair of St Joseph's Heritage. With me is Sister Bonnie MacLellan, the executive director of St Joseph's Heritage. Also with me is Darlene Dundas, the director of resident care at St Joseph's Heritage.

I'd like to thank you for giving us this opportunity to participate in the consultative process surrounding the redirection of long-term care in the province of Ontario. At the outset of our presentation, I would like to applaud the government for this initiative. Certainly, in our opinion it's been long overdue and there are certainly already areas of Bill 101 that we would like to go on record of indicating our strong support for.

Most particularly, these are the proposals to equalize funding for all providers of residential long-term care, for the standardization of regulations for all providers of residential long-term care, and to the extent that you embrace the concept of aging in place, whereby individuals are not forced to leave and move when their level-of-care requirements change. We all see these elements as fundamentally prudent and fair to the province of Ontario.

Before we proceed, let me tell you a little bit about St Joseph's Heritage, though. We're a not-for-profit facility owned and operated by the Sisters of St Joseph's of Sault Ste Marie, with a head office in North Bay, which I always find intriguing. St Joseph's Heritage is a Catholic institution which developed from a vision of what a facility for the elderly and disabled should be.

The best way of characterizing this, I find, is to think of a place where you want your mother or father to go if they were so required to be placed in a nursing home or a seniors' apartment. That, in my estimation, is the essence of St Joseph's Heritage. We are the forerunner, really, of any facility, I think in Canada, whose purpose was to integrate, not segregate, the elderly and the disabled into the community at large. The philosophy of integrated care is reinforced in our mission statement, which reads as follows:

"St Joseph's Heritage serves the citizens of Thunder Bay and region, uniting a nursing home, an apartment complex and a community centre." It's probably the only nursing home, by the way, that has a squash court. "In particular, we support the elderly and those with special needs, along with their families and care givers, in an environment which respects and fosters the beliefs, dignity and independence of all."

Just as a slight aside, the board recently—just a few weeks ago, in fact—met over one evening session to reacquaint itself with this mission statement, as of course it's compelled to do under various and sundry regulations under the Nursing Homes Act. We did this in two hours. I don't know if any of you have been involved in the delineation of mission statements, but that can be a very onerous process. To do it in two hours is phenomenally efficient, and the reason we were able to do that is because the board itself is very cognizant of its role and is very proud of the ends to which it works.

In spite of some of the difficulties we've been faced with, and for that you can read money, we feel we have done an exemplary job in the community and for this reason, if for no other reason, perhaps it's worth listening to what we have to say, not that I would suspect you wouldn't.

To give you an idea, I want to read you a letter we received from a woman whose father died at Bethammi Nursing Home. This letter is not at all atypical, and it's written to the staff, because they tend to do this, to the whole staff of Bethammi.

In our nursing home we have two floors. The young people live on the second floor and the more senior of our senior people live on the third floor. The dynamics are quite interesting there.

Mr Jackson: They are closer to heaven. I know your mission statement.

Mr Walsh: I don't know why I threw that in. It's just interesting, I find. Here's what the letter says, and it's to the staff:

"I would like to express my gratitude to all of you for the kindness and caring shown my father and to the rest of our family during his stay there, but particularly during his final days. Words just seem so inadequate, but unfortunately they're all we have to work with. However, I'm sure I'll never find the right ones to express the depth of my feelings. Each and every one of you was terrific and we will never forget you. Bethammi is a very special place, and I wouldn't have wanted my father anywhere else. He was so lucky to have been among you.

"I know he was a difficult person to care for, but you all seemed to understand that this wasn't the real Jim and were able to find some thread of the quiet and gentle man he used to be. As we sat with him during those last days, we were able to clearly see what a special group of people you are. The fact that several staff phoned in on their days off to see how he was says volumes about your compassion. Thank you from the bottom of my heart."

Now, at the outset of this presentation, I said we applaud the initiative the government has undertaken. Before you become deafened by this applause, let me now turn your attention to some of the areas that concern us about the proposed legislation, and these are essentially twofold. One deals with the way Bill 101 is constructed, in that it attempts to ensure quality of care, and the other deals with the consumer's right to choose, which has already been touched on but I will reinforce that particular message. I will speak to these in turn.

With respect to provision of quality of care, it seems to us that the government's intention with Bill 101 is to ensure the provision of quality of care by imposing a complex, comprehensive and rigid set of rules and regulations on residential long-term care providers. These regulations appear to define what constitutes the minimal standards for virtually all operational aspects.

Now we're of the strong opinion that a litany of rules and regulations provides absolutely no guarantee that such rules will result in higher levels of care. Indeed, this issue of rules and regulations is one which evokes a rather strong and painful memory to us vis-à-vis the Ministry of Health's inspection process.

Let me digress one more time. In 1987, the Heritage was charged under regulation 74(e) of the regulations of the Nursing Homes Act for failing "to serve snacks and fluids to the residents between meals and at bedtime." That's what the regulation calls for. An inspector came to Bethammi and saw no evidence of residents being served snacks and fluids. This keen-eyed inspector was absolutely right; Bethammi does not nor does it intend to serve, as a general policy, residents snacks and fluids at any time of the day or night.

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Some time ago the residents came to us and said: "Why do you serve us breakfast at 8 o'clock in the morning? We don't want breakfast at 8 o'clock in the morning. We want to eat breakfast between, say, 9 and 10." We said, "Okay, we'll serve breakfast between 9 and 10." We also serve lunch around noon. To finish breakfast around 10 and then to immediately start serving snacks seemed to us to be not necessary. We have fridges and we have cupboards and we have kitchen facilities that are full of food that a resident is entitled to and welcome to use and feed on at any time of the day or night, and they know this.

Now, if you're ill or if there is some particular reason why you need to have snacks and fluids served to you, we will do so. If there is no prevailing reason, part of the Bethammi philosophy is to treat this as your home. I don't know about you; I do not get snacks and fluids served to me at home. The kitchen is a focal point where residents meet, and this is part of the Bethammi philosophy.

We encourage the residents to act independently. We encourage them to socialize. That was the whole purpose of this. It's not that we were mean-spirited or we refused to do it. That is exactly the contrary. We thought there was an advantage to having the residents exercise this independence, and we communicated this particular philosophy to Inspector Clouseau. That was not satisfactory. We went through a four-day hearing on this snacks-and-fluids caper. At the end of this four-day hearing we were found not guilty.

Our lawyer's reporting letter, which I reviewed this morning before coming this afternoon, is really quite interesting. Normally, I'm used to reporting letters that say something like, "We won, please find enclosed our bill for professional services in the amount of $2 million," or something of that nature. This was an eight-page discourse on the process. He vents a bit of anger at what he felt Heritage had been dragged through. I phoned him this morning and asked permission to just read one paragraph. He was more than delighted to find this opportunity.

He wrote: "In conducting the preparations for trial, including the extensive interviews with staff of Bethammi Nursing Home, I was struck with two things. Firstly, the loyalty and devotion of the staff members, both to their work as well as to the quality of the health care they were delivering; and secondly, the absolute and inexcusable stupidity of the whole ministry prosecution process in this instance."

It sort of summarizes our concern about any further efforts on the part of the government to equate rules and regulations with the quality of care so rendered. As an alternative to a plethora of rules and regulations, we are of the opinion that there are more appropriate ways of ensuring quality of care, specifically through the governance of the facility, through accreditation and by providing appropriate levels of professional staff. I'll spend a few minutes on each of these options.

With respect to governance, St Joseph's Heritage has been traditionally governed by a volunteer board of management. The board members represent the local community and are primarily concerned with the needs of residents, tenants, their families and other users of the facility. They are there to ensure the citizens of our community are afforded an environment at St Joe's where varying levels of long-term care are provided in a holistic manner consistent with the sisters' philosophy of care and compassion. What that means in layman's terms is that we are interested in what

happens at St Joe's Heritage because we look at that as our obligation to the seniors of Thunder Bay.

We are accountable to the sisters, to the tenants, to the residents and to the funding ministries for the quality of care we provide and for the expenditure of our scarce resources. We think that every facility in the long-term care field should be required to establish a board, an advisory council, with wide representation from various and sundry constituent bodies to oversee the care provided in any given long-term care facility. It has worked extremely well for us.

The local radio and television station, which is a member of the private sector, has an advisory council to which it listens in terms of the programming requirements of the citizens of the Thunder Bay. If it can happen in the media, it can certainly happen in other long-term care facilities, whether they are publicly owned or privately owned.

We do not believe that external control is at all equivalent to quality of care. Assurance of continuous quality is an important function of our board, and it certainly could be an important function of any other board or council that the government may deem appropriate to establish.

With respect to accreditation, other organizations in health care, such as hospitals, maintain standards of care and are guided in their pursuit of excellence through the Canadian college of health care facilities accreditation process. The standards have built-in review mechanisms which ensure that the standards of today are revised appropriately to meet the changing and evolving care needs. Agencies that are accredited must prove to the accreditation team that the standards of care offered in the facility go beyond adherence to the rules and regulations on any given inspection day. There must be evidence that the standards are supported over time.

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An inspector, however, reviewing a facility's compliance with a multitude of rules such as Bill 101 is proposing will focus on those rules. The focus of an accreditation team is primarily on the overall quality of care provided in the facility and the standards are simply guidelines used to help make that assessment.

We are supportive of a mandatory accreditation process and believe this would provide better quality of care than any set of rigid rules. The approach would be much more focused and much more directed towards responding to consumer needs.

On the level-of-professional-staffing concern, we are concerned that the potential exists for the deprofessionalization in long-term care facilities by specifying minimum standards. The proposed legislation could reduce all care and all care providers to the lowest common denominator. Thus it is quite possible that professional staff would be replaced by non-professional staff.

If the purpose of the legislation is to provide consumers with assurance that their health and wellness needs will be met in an appropriate fashion throughout the various stages of their lives, and this has been the long tradition of professions in the acute care and the community care fields, then it is imperative that an appropriate level of professionalism also be provided in the long-term care sector. There is a substantial difference between a system that supports quality care to all, despite age, and a system that provides quality care in some areas and custodial care in other areas. We suggest that this legislation and its potential to reduce that professional component is by its very nature discriminatory, at least potentially discriminatory, to our senior population. High standards of care are provided by professionals, not by legislation. Compliance reports offer a time-limited snapshot of actual care provided. Professionals ensure continuous quality in their care delivery and at all times.

As touched on, I think quite eloquently, by the residents' council of St Joseph's Heritage, I'd like to make a couple of comments on the consumer's right to choose living accommodation. We similarly have the concern that the legislation could possibly ignore an individual's right to choose his or her accommodation. Indeed, if it does dictate that the first available bed must be taken, it could conceivably happen where spouses could be assigned beds in different long-term care facilities, against their will and certainly in detriment to the quality of life they enjoy. While the board of management agrees with the fundamental concept of appropriate access and utilization of scarce resources, we suggest that there must be room for flexibility in order to protect individuals and to respect their basic rights and freedoms of choice.

To conclude, we support the need for redirection in the area of long-term care. The government's commitment to provide safe, efficient, effective, holistic health care throughout all stages of life is an admirable goal. Ensuring that this goal is reached will mean different paths for different providers. We strongly request that the government carefully re-examine the advisability of reducing all long-term care providers to the lowest common denominator by imposing a complex set of rules which dictate the minimal acceptable standards. We're called upon to be leaders in health care in all sectors. Leadership demands vision and creativity, and these are characteristics not normally resident in legislation.

We wish you success in your consultation process. We thank you very much for the opportunity to appear before you, and as I think we have already indicated to the coordinator of the day, we will be submitting a written brief to follow. Thank you very much.

The Chair: Thank you very much. I think at this point in the day, your indication that you have a squash court leads me to suggest that the committee might retire there after and, following a good game of squash, have some snacks and fluids. However, I digress. Mr Jackson.

Mr Jackson: I am pleased to receive your oral presentation and I'd like to ask a couple of questions quickly about your program.

The two facilities that have been mentioned that are interconnected, are they one building or are they connected by an alcove or—

Mr Walsh: It is one building: the community centre—the squash court is above that—the nursing home, and it is adjacent to the apartments.

Mr Jackson: Are you just dealing with two or are you dealing with three levels of care? Is it stepped, with

independent living, semi-independent living and then nursing home, or is it just right from independent living to nursing home?

Mr Walsh: Sister Bonnie?

Sister Bonnie MacLellan: Darlene will answer that.

Mrs Darlene Dundas: Presently within the nursing home, we're extended care. The apartments are seniors' apartments and they're subsidized. There are people with special needs in there, and presently we have put in an apartment support program.

Mr Jackson: You would be similar to—I'm familiar with the Sisters of St Joseph in their work in my part of the province, which is in the Hamilton-Wentworth-Halton regions. You're also responsible for helping deliver all 10 of my brothers and sisters, so I know of your very good works; at least my mother, especially, appreciates your very good work.

Mr Walsh: You owe the sisters big time.

Mr Jackson: Yes, well they were—

The Chair: This includes you.

Mr Jackson: Yes, that includes me, that's for sure. So your program is somewhat similar to St Joseph's Villa in Ancaster. They are a staged facility of varying levels. It's a diocesan, partially funded program.

Sister MacLellan: I'm not really familiar with the Dundas operation, although it is run by the Sisters of St Joseph. We're a different group, an independent group. I believe that St Joseph's Heritage was one of a kind and continues to be one of a kind. The visionary for this project was Sister Lila Greco. She envisioned having a senior citizens' apartment building, a community centre and a nursing home all together under one roof so that there could be the potential of a progression, but a progression of care was not mandatory.

Mr Jackson: Okay. If I could dwell on that—and I know we're going to run out of time here—this bill doesn't really address the various elements of long-term care in terms of segregating the accommodation costs from the program costs from special-needs costs. It's apparent that the kind of program you're running, which I'm somewhat familiar with, presents some unique challenges to this legislation because of this segregating of costs when you have a flexible integrated program.

Have you put your mind around some of the complications that may arise? Because there are more questions raised and not answered about long-term care at this point, and very few answered in the elements of Bill 101 which are before you. Would you like to take the opportunity to put a couple of those on the record?

Sister MacLellan: Well, our major concern when reading the legislation was the whole issue of speculation. A lot of what we've heard today and a lot of the things that we feel ourselves are issues of speculation, "What will happen if." What will happen if everything is reduced to the lowest common denominator? What will happen if there is deprofessionalization? These concerns may not necessarily occur, they may not come to pass, but there is that potential. From our perspective, legislation provides the letter of the law and misses the spirit.

In consultation with another provider in southern Ontario, also a sister institution, she recounted to me a compliance issue not unlike the one we had in relation to nutrition and supplements between meals. One of the residents was ordered a low cholesterol diet and gone to the diet kitchen and put butter on a muffin. The compliance review officer noted this and gave them a non-compliance for putting butter on the muffin of the resident. It's of grave concern to us to see that the letter of the law can miss the spirit of the intent. I'm sure if we put ourselves in that situation, I am confident that when I'm 87 and I want butter on my muffin, I want butter on my muffin. I don't want a low cholesterol substitute, thank you very much.

1650

I think that's really the essence of our concern. I've heard today some discussion about the issue of beds, and I would bring to the committee's attention that beds are not the issue. It's the people in the beds who are the issue here and that is our greatest concern. These are our loved ones. We are the future residents of those beds.

We can talk about expanding beds, reducing beds, but that is not the issue. The issue is the quality and level of care and independence of the individuals we serve; nothing more and certainly nothing less. This requires flexibility to provide an appropriate level of care over a continuum of life.

I'll address, just for a moment, the whole issue of funding. Funding will be noted on the basis of a snapshot picture of what your institution looks like. At a recent public forum, I heard an individual say to a resident in jest, "That means it would be better if you were sicker when that assessment was done so you could be assessed and funded at a higher level." That's extremely frightening.

If we talk about Maslow's hierarchy of needs here, safety is number one. We can get into the realms of the legal ramifications of all this, into rules and regulations, but let's put ourselves in the position of the consumer. Not one of us is not going to be there unless on my way home I get run over by a car. All of us will be consumers at some point in a system.

Also when we look at this, I would ask the committee to ask yourselves, would you consider transposing this kind of legislation into the acute care environment or the community-based health care environment? I doubt it. I can't even imagine this kind of legislation coming down. I've worked in acute care for 22 years now and I know that would not be seen as an appropriate methodology for providing for the care needs of people over a lifespan, care needs that vary from minute to minute, moment to moment, day to day, year to year. Why then would this kind of legislation be the appropriate methodology to ensure quality?

I support this government's desire to ensure quality of care throughout the continuum of life. I implore you not to look so much at the word "quality" as equal to minimum, but look at the word "quality" as equal to the word "excellence." Excellence is continuous quality, always changing, always transforming, not static. Legislation gives us static.

Quality improvement gives us ongoing flexibility to meet ongoing care needs.

Mr White: I want to commend you not only for coming forth in front of the committee, which I'm sure is something you did with a little bit of trepidation, but for articulating the feelings of your residents and your families so well.

I have a few questions. You've sparked on a great number but I'll try not to limit them. First, when you were discussing the issue of consumer choice and making sure that the services people have are what they are asking for and meet their particular lives, have you had problems? You cited the issue of a husband and wife being accommodated separately. Have you had concerns with the placement coordination services that presently exist here in Thunder Bay?

Mrs Dundas: I'll speak to that. I agree with the rest of the presenters today. I think we have a very unique situation here in Thunder Bay. The cooperation and collaboration among organizations and through PCS is excellent and I would hate to see us lose that.

Mr White: So you see that the present placement coordination services actually reflect the needs of the consumers fairly well?

Mrs Dundas: Yes, and there's that area open that we can discuss issues with them or discuss concerns regarding any referrals to us that we do not think are appropriate.

Mr White: Good. We should have that right through the province.

The other point, if I could briefly touch on it, was the issue about accountability mechanisms. Obviously you have residents who are very involved. You have families who give you feedback. You have a church community. You have a board of directors. You have a whole range of accountability mechanisms.

On top of that, just like most homes for the aged do, municipally run or otherwise, you're finding that the issue of an inspector who might see in a facility this issue about the snacks and liquid refreshments as deprivation, and in fact it might be in some other facility, here this was a direct response to your consumers, to your residents. In other words, what I'm saying is that in one situation that might be deprivation; here it's response. Do you think your institution really shows that you don't need that additional level of inspection while others may?

Mr Walsh: We're certainly not averse to assessment teams for the accreditation process. I think what that really indicates is the need on the part of the inspectors to be empowered to make decisions with respect to the conditions they see, and indeed if it does mean deprivation in one facility, then it should be so noted, and if it doesn't in another, it's not that difficult to determine the difference by talking to residents or by talking to those in responsible positions.

If they can't make a decision on something as simple as snacks and fluids, then it seems very difficult for me to think that when they go through the checklist of all the other regulations they'll be able to show any ability to make decisions in these areas either. It's simply a non-compliance and let's proceed with it.

We were charged, by the way, in that same case with several other violations which the prosecutor, in his infinite wisdom, could not proceed on. In fact, he didn't want to proceed on this one, but there were other pressures to do so.

I think that expresses our concern with simply trying to equate the quality with rules. It won't work. Bread and water are snacks and fluids, I guess.

Mr Wessenger: I really appreciate your presentation. I'd like to just clarify that the bill does not reduce the level of professional staff of long-term care facilities. First of all, RN coverage will be required on a 24-hour basis in all long-term care facilities, and that's not now a requirement, and second, funding will be earmarked for quality-of-life programs, such as social worker, occupational therapist, physical therapist. So I'd like to assure you that, no, it's not a question of deprofessionalization.

But I'd like to follow up with respect to this question of compliance, because right now I understand under the act we do have a lot of program standards and you do have continuing visits from compliance officers or inspectors. I really sympathize with you with your situation in 1987, but we are told that this policy was turned around and that now the system works on a basis of towards quality management. Is that the case? Does the process now work on the basis of quality management, on a consultative approach rather than the previous situation?

Mrs Dundas: Yes. I'm glad you brought that up, because I was going to mention that. Since this law case, it certainly has changed dramatically with the compliance review process. It's much more of a helpful process where they're there for consultation, to give direction, and then the compliance review standards, which all nursing homes have been provided with, are very beneficial to anybody working within the nursing home.

Mr Wessenger: I can assure you that there's no intention to change that for the present process.

Mrs Dundas: But there is quite a similarity too between the compliance review and the accreditation process. So, to me, in some ways it's a duplication of accreditation.

Mr Wessenger: I appreciate your comments. Thank you.

The Chair: Ms Caplan.

Mrs Caplan: Thank you very much, Mr Chairman.

Mr Hope: Mr Chair, sorry for the interruption, but I know somebody wished to get a comment in. She had her hand up twice already.

The Chair: I'm sorry.

Sister MacLellan: No, I will save it and defer to Ms Caplan.

Mrs Caplan: I was going to say that at one point I think the government has missed the point of your presentation. I recall when the nursing homes branch changed its approach to one of quality improvement, and this legislation moves away from the principles of continuous improvement.

You were very, very articulate in explaining—we heard before about Dr Berwick's theory of implementing continuous improvement programs, rather than the stick approach of having everything defined to the lowest standard, and they are very, very different. I'm not surprised to see all of that within this legislation, since it was the NDP in opposition who were so opposed to a change within the nursing home branch from one of a prosecutorial, compliance-driven, adversarial nature to the new approach which has been in place since about 1988.

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The concerns you've raised I think are very important. We know that if legislation takes an attitude that everyone out there is a bad apple—we've heard about the tone of this legislation—then you're going to have a very different environment than if you take the position that most people, most providers, want to improve their results, improve the quality of care and the quality of life and ensure the dignity of the people they're caring for.

I've heard what you've said and I think you've made a very significant presentation in explaining to us the kind of flexibility that's needed. I'm very attracted to the process of accreditation, to require a continuous improvement program or quality assurance program, call it a quality management program. There are all the different names.

Can you be more specific, either today or in writing, as to the kind of amendment that would give you that flexibility and replace some of the very specific criteria and guidelines, which have been referred to by other people actually as not clear enough either? If you were to give us a recommendation for an amendment that required a total quality management program or a continuous improvement program or something like that, can you think of a way that this legislation could reflect what you have recommended?

Sister MacLellan: As I indicated in our brief, there are three areas that need to be addressed in the whole issue of quality. One of them is the accreditation process. The accreditation process has built into it a mechanism to ensure that the quality of care rendered is flexible and in transition over time. So you have various standards of accreditation.

We are an accredited facility, and I have to tell you that I just saw the revised standards of accreditation for long-term care facilities and they're beginning to more and more mirror the accreditation standards of hospitals, which I think is a tremendous move to ensure quality. There is a whole section there on board governance, a whole section on quality, a whole section on risk management.

I think the thing that gives me the most hope in relation to the accreditation process, having been in health care over 22 years, is the fact that these things are always in transition. All of the standards are in transition. We speak about standards that move, standards that have providers who are known for excellence, as the people who articulate and create the standards, and we have knowledgeable people who are well instructed—I'm not indicating that the compliance officers are not well instructed; that is not my point—the whole issue of people who have worked within the environment coming in to evaluate the quality of care.

That's one of the areas in relation to quality, the accreditation process, which I think would solve a lot of pain and struggle with this whole process. We don't disagree that there is an issue that we must ensure there is a quality standard of care that's offered, but let's look at how we do that.

The second is in the whole area of boards of management that are mandated to ensure that there is quality of care that is provided within the institutions. It's my responsibility as the executive director at St Joseph's Heritage to give the board the information it needs to make it feel secure that the quality of care that's offered meets the excellent standards the board has established.

In response to the area of deprofessionalization, I'd also like to say that St Joseph's Heritage staff is above and beyond what the required is at this point in time. We have assumed a position that we do need life enrichment, regardless of the fact that it's funded or not. It's not funded; we provide it. We provide pastoral care. It's not funded; we provide it. We believe in an excellence of care that's not based on a dollar figure.

Does that put us in a difficult position? Absolutely. It puts us in a position of running at a deficit budget. But there's a difference between a balanced budget and doing what you believe in your heart is right. Now how long can you continue to do what you believe is right? We hope that we will, with funding changes, be able to continue that excellence in service.

The other recommendation I would make, specific to this process, is that I see there is sweeping legislation that will be province-wide, and I would ask the committee to consider the alternative of having a pilot site. We've heard again and again today that Thunder Bay offers a very unique situation in the province. We have a PCS service that functions very well. We have agencies that collaborate well, that work well together. Would it mot be beneficial to have a pilot site in Thunder Bay, here, if that's appropriate?

I'm not sure. If we try to push through legislation too quickly, we will only end up living with a situation where we haven't been able to see the ramifications of our decisions in advance. Let's give ourselves the time we need to test this out, to do what we really want to do; not to eliminate the good that we have, but to expand upon the excellence and our desire to provide the best that we can for everyone in the province.

The Chair: Thank you very much. I think it's very helpful that we end this afternoon with having a look at a very well functioning home that does a multiplicity of things, and I think also to be reminded, both by you and by the residents before you, that what this is all about at the end is dealing with human beings, with real, live people with needs, and that we must be conscious of that because one can get so caught up in ratios, financing and all sorts of technical details.

We thank you very much for sharing with us your thoughts, and we join with you in praying that never again will you have to worry about snacks and fluids in quite the

way that you've had to. But thank you very much for being here. We appreciate it.

Mr Walsh: Mr Chairman, the next time you're in town, it would be my pleasure to entertain you, engage you in a game of squash in a nursing home facility and, as well, treat you to appropriate fluids in our chapel upstairs. It's the only licensed chapel in the province as well. It would be my pleasure. Thank you very much.

The Chair: We'll take you up on that. Just before we adjourn this evening, committee members, if I could just kind of make an executive decision here, we'll reconvene at 6:45. I think our mental health requires a bit of a break so that we can be alive and fully cognizant when the presenters come this evening, so we'll reconvene at 6:45 here. This meeting stands adjourned.

The committee recessed at 1709

EVENING SITTING

The committee resumed at 1847.

The Chair: We can all gather and begin our evening session. I want to welcome everyone to our third sitting today. That almost sounds like a meal. We have a number of presentations tonight and I think we should get started.

HOGARTH-WESTMOUNT HOSPITAL

The Chair: Our first deputation is from the Hogarth-Westmount Hospital, if the representatives from Hogarth would be good enough to come forward. Welcome to the committee. We thank you for joining us this evening. If you'd be good enough to introduce yourselves for the committee and for Hansard, then please proceed with your presentation. We do have a copy of your brief that has been circulated.

Mrs Irene MacLeay: I would like to thank everyone for the opportunity to come and speak to you. My name is Irene MacLeay and I represent family members of residents of Hogarth-Westmount Hospital.

On behalf of a number of families that presently have a parent or spouse residing at Hogarth-Westmount, we tender the following remarks.

First, we acknowledge and appreciate the government's attempts to de-institutionalize facilities which currently house the elderly and/or infirm, but we also acknowledge the contributions to Canadian society of these individuals throughout their active and productive years. Therefore, we believe that they are entitled to the best care possible in the 20th century, care that is free of concern about the next budget cuts and how these cuts will impact on their lives.

Our major concern centres on what some might refer to as terminology. In reading Bill 101 and the homes for the aged act, we did not come across the term "chronic" as it refers to individuals currently housed in Hogarth-Westmount and various other facilities across the province. The individuals in these facilities were assessed by placement coordinators and placed in chronic care hospitals because they were physically and/or mentally unable to adapt to life in an existing home for the aged such as Grandview.

The degree of specialized nursing care and the multidisciplinary approach used to meet the needs of these residents cannot be obtained in any other facility which houses the elderly. All of the information available to family members in regard to long-term care and Bill 101 failed to address or even mention chronic care hospitals, although we were assured that chronic care was included in the overall picture.

Since we were first advised of these proposed changes as they apply to the care of the elderly, we have not encountered the term "chronic." Is this an error or a deliberate omission? If it is an error, than let's correct it right now. If, on the other hand, it is a deliberate omission, then let me assure you that these people really do exist, and they will continue to exist as chronic care patients as long as we provide medical care to them.

Individuals who suffer from the diseases of old age, such as strokes and Alzheimer, are destined to need the special care provided by chronic care facilities. A major characteristic of chronic care is that it is not static. A patient's capabilities in active daily living will continue to deteriorate with time. The degree of health care provided can greatly affect the quality of their lives. The many facets of health care found in hospitals like Hogarth-Westmount are not available in acute care hospitals or homes for the aged. It is currently only available in chronic care hospitals, and we are not assured that there really is such a place, according to Bill 101.

Another concern deals with the role of the board of directors of Hogarth-Westmount. How does this board fit into this revised legislation? The future of the Thunder Bay District Placement Co-ordination Service is yet another concern. This particular placement service works, and according to Murphy's Law, "If it isn't broken, then don't fix it."

There are many areas of concern surrounding long-term care and Bill 101, and we know that they will be presented to you in various forms today. But please, for our peace of mind, clarify "chronic care hospitals" in the grand scheme.

Mr Peter Proulx: Thank you for inviting us here this evening. I take this opportunity to talk to you a bit about Bill 101, but also in terms of the future of long-term care in the present situation of chronic care hospitals.

Chronic care in Ontario has changed dramatically in the last decade, a fact that is not widely understood by government or by the public. It used to be believed that the chronic care patients required only basic care and that chronic care hospitals were simply custodians of the elderly and people with disabilities.

It is now recognized that the health status and quality of life for many disabled and elderly people can be substantially improved with appropriate medical intervention, rehabilitation, skilled nursing programs and advances with technical aids. The programs in chronic hospitals today cover this wide range of specialized care, provided by highly skilled, multidisciplinary teams of professionals.

Hogarth-Westmount Hospital is not a glorified nursing home and is quite different from acute care hospitals in its service and approaches to care. In fact, the chronic care sector is the vital link between the acute care hospitals and either in-home care or nursing homes/homes for the aged, providing care for many of the people who cannot be cared for properly anywhere else. We provide a wide range of specialized professional services with a need to provide a sustaining environment for patients and families in a long-term care relationship.

Hogarth-Westmount Hospital recognizes that the way to meet the increasing needs of the aging population is not necessarily by adding more hospital beds, but more of an effort must be given to forging linkages with community-based care givers. At the same time, chronic hospitals must continue to pioneer work in the rehabilitation sciences to

help enable people to live active and productive lives. Chronic hospitals are already largely integrated into the communities and will continue to expand cooperative linkages with other care givers.

We strongly believe in the need for a coordinated continuum of care in Ontario. One of the key results of long-term care reform must be to create closer relationships between care providers; create clear admission criteria for each category of facility to help determine each facility's role in the provision of care; create similar approaches to governance and accountability; create similar approaches to ensuring that certain standards of care must be met province-wide in both home- and facility-based care.

We support the view of the two representative associations,

Chronic Care Hospitals of Ontario and the Ontario Hospital Association, when they originally commented on Redirection of Long-Term Care and Support Services in Ontario, and they will be presenting to you later on in your discussions in the province of Ontario.

Bill 101, however, in its current form, may present real barriers to achieving that objective. The former minister's five stated policy objectives in Bill 101 are agreed to and we support these objectives. We are, however, very concerned that this legislation will isolate long-term care facilities from the rest of the institutional sector, such as facilities like ours and the many community hospitals so vital to our northern communities.

Key problems with Bill 101:

Moving from an insurance model to a contractual model: Our hospital works in direct relationship with long-term care facilities. The fundamental shift from insurance to contract perpetuates a division that should be eliminated. We should be working towards principles of insurance for the chronically ill, not a contract for services.

Meeting resident care needs: The government has created tremendous expectations for this sector to deliver more care and services than are currently being provided for today, and yet the average per diem rate that is being proposed is between $85 and $90 a day.

Our experience is that it costs much more to provide care. Where is the evidence that supports such funding and that it will truly meet the needs of the patients and provide appropriate outcomes? We do not see it. In fact, because of our vast distances in the north, the cost of providing care is higher, and this has already been recognized by the ministry when funding small hospitals in the north.

Placement coordinator: It is difficult to comment on the role of the placement coordinator as described in the legislation. The government needs to explain how this position fits in with its overall plan to provide better coordination of service delivery. Many issues remain to be clarified, such as the consideration of PCS with regard to geography.

More consumer choice must be written in the legislation that is presently there with respect to ethnic, linguistic, geographic and religious preferences. I echo Irene's comments with regard to PCS locally. It was one of the original PCSs set up in the province. It is working well. It is done totally on a voluntary basis within eight agencies, and we would not want to see it torn down and something put in place that is not tested.

Stronger role for long-term care facilities: Facilities must play a role in determining their own ability to meet the care needs of a particular applicant in his or her home. Today, a team carefully decides whether or not an applicant can be cared for, where the applicant should be situated and, in cases where rooms are shared, how the potential applicant would fit in with the existing roommates. As well, the health status, care requirements and the appropriateness of culture and language in the home are assessed. The Alberta patient classification precludes any service other than nursing and personal needs.

They must be encouraged to work on a professional health-social model which utilizes the best that our system has to offer. We are unaware of such systems, standards or models in the community sector, so perhaps we could all work towards a well-defined professional model.

Recommendations: We strongly recommend that the government adapt the same philosophical approach to governance of long-term care facilities as it does for the rest of the institutional sector in the health care system. The government should build upon the voluntary involvement of people and work towards the quality and professionalism that exist in the public hospital system.

If the service agreement sets out explicitly how facilities must be run by regulation, what happens if the accountability methods required by regulation and the accountability methods required by the board of directors are in conflict? Or does the contractual arrangement by the ministry and the facility negate the need for boards altogether—an important question in our present society?

Placement coordinator: Chronic Care Hospitals of Ontario believe that where existing placement coordinators or agencies are currently doing a good job, a new structure should not be put in place. That is also our position.

Placement coordinators should work with all the players—home care, acute, chronic and long-term care—to establish specific admission criteria that cover the range of needs of the community.

Chronic care hospitals have increased their specialization and have created a multidisciplinary approach to meet the changing needs of the consumer. The placement coordinator must recognize that a wide range of both inpatient and outpatient highly specialized programs have been established in chronic hospitals that do not currently exist either in acute hospitals or nursing homes and homes for the aged.

In addition to specialized doctors and nurses, multidisciplinary teams include a wide range of professional help.

Conclusion:

Our vision for a reformed long-term care system: A properly structured, well-coordinated, integrated system of community and facility services which can improve the range of choices and enhance the quality of life for the elderly and people of all ages with disabilities so that they can live with dignity and as much independence as possible.

The following principles should guide the development of such a system:

— Puts the priority on the elderly and the disabled of all ages and their families.

— Requires information on the quality and outcomes of care provided to patients, residents and families.

— Provides an affordable system with efficient programs to rehabilitate people as much as possible. Just an anecdote: I've not seen anywhere in Bill 101 or in any policy statement where rehabilitation has been mentioned. I may have missed it.

— Provides an integrated system to treat the whole person so that consumers can benefit from the range of services they require to help maximize their quality of life—another statement that I see is missing—and recognize that chronic care hospitals provide specialized treatment, rehabilitation and palliative care to people who are medically unstable.

— Provides a continuum of care so that the needs of the elderly and disabled of all ages and their families can be met in the most appropriate environment. An example is the person who has suffered a stroke. They need the services of an acute care hospital, a chronic hospital for rehabilitation and supportive services in that community to help the person readjust.

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We believe it is possible to redirect long-term care services to meet these principles across a variety of facilities and in-home services while retaining the strength and diversity of the system.

Major changes must be made to Bill 101 to ensure that the philosophical approach used to govern long-term care facilities does not present a major barrier to providing the continuum of care for the health care consumer of today and tomorrow, which is me.

The Chair: Thank you both very much for your presentations. We'll begin the questioning with Mr Wessenger.

Mr Wessenger: Thank you for your presentation. I note you indicate that you feel the chronic care hospitals play a unique role in the care system, and you focused to some extent on rehabilitation as one of the major roles.

Mr Proulx: Yes.

Mr Wessenger: Would you just elaborate on whether you feel that is the major role and, if not, what other particular specialized role you see the hospitals playing as distinct from, as you say, the homes for the aged and nursing homes?

Mr Proulx: I think the role of the chronic care hospital is one of a particular medical model. Nursing homes and homes for the aged, as I see it in Bill 101, provide basic nursing and support care plus five or six specialized procedures. The role of the chronic care facility is to provide a continuum of care for those individuals who have become medically unstable, whose prognosis is probably not one of longevity and who require an ever-increasing amount of care and rehabilitation to maintain their status, ie, maintain their level of stability.

There's a real misunderstanding in the province with regard to when somebody walks into a chronic care hospital and sees everybody stable. They don't realize the amount of work, medical and rehabilitation, that is needed to maintain that stability in that individual, and that's how they get classified as either being nursing home or homes for the aged.

I think the role of the chronic care hospital is to deliver that amount of care, both medical and multidisciplinary in nature, to allow that individual to maintain that stability. I think that's the role of a chronic care facility, not only in an institution but in the community.

Mr Wessenger: I wonder if you could also elaborate on your first point, where you talked about moving from an insurance model to a contractual model. I can certainly understand what you mean with respect to the service agreement as a contractual model for the long-term care facilities. Could you elaborate on what you mean?

Mr Proulx: It's more philosophical maybe. Populations, not only in Ontario but I guess in every province in Canada, feel that health care is a right. In this great country of ours, our politicians, both federally and provincially, have inscribed that into law in the Canada Health Act or whatever other legislation. To then go about requiring the individual to sign a contract for the services that would be required, knowing the persons on the other end of the contract, I'm sure because of the money situation they'll be looking at the individual and making sure that he doesn't get any more than he needs.

Therefore, I see it philosophically as a step backwards. The insurance model for our health care system, whether we pay enough or whether it is enough, is another debate for another day. But philosophically, health insurance was put in to provide universal care, and the contractual model I see precludes that universal care from taking place. It writes down in black and white what you will get, but what is more important is that it doesn't indicate what you will not get.

Mr Wessenger: The only thing I note is that I believe we're the only province presently, other than Manitoba, that has an insured model. So after we change, Manitoba will be the only province left on an insured model for long-term care facilities.

Mr Proulx: That's fine.

Mr Wessenger: Okay, thank you.

Mrs Caplan: Have you been consulted as part of the long-term care study review that's been ongoing for the last two and a half years?

Mr Proulx: Yes.

Mrs Caplan: I understand that report is—well, we've had a best-efforts undertaking from the parliamentary assistant that it will be forthcoming in March.

Mr Proulx: This is what I'm told.

Mrs Caplan: The concern we have heard expressed from a number of chronic care providers is that there's a feeling that there has been an exclusion in this legislation of chronic care facilities. Is it your expectation that following that report, this bill will be amended or changed in some way? What has been your expectation of what's going to happen after the report you have been waiting for is actually made public?

Mr Proulx: I guess in terms of where I think the report is going to go, it's going to be delivered to the Minister of Health. I hope the Minister of Health will use that report.

I was consulted in terms of what I felt chronic care hospitals should provide. Whether or not that's been translated into the exact feeling in the report, I'm not sure. I'd have to see it in order to comment on it. My expectation is that I hope the results of the chronic care role study will produce a role definition for chronic care hospitals and lead to standards and lead to an understanding of what chronic care is all about.

I hope it doesn't lead to a legislative method of monitoring chronic care in the province, because I think our hospital system and the way that it is governed and way that it is managed and run is probably one of the best in the world. I think a lot of countries are envious of what we do. Therefore, I would not want to see the chronic care hospitals go the route of the nursing homes and homes for the aged in being legislated in Bill 101, if that answers your question.

Mrs Caplan: The last question I have is, if that's what you're expecting will happen, are you expecting to see another piece of legislation at all?

Mr Proulx: I think the decision would have to be made whether or not chronic care hospitals would be left under the Public Hospitals Act.

Mrs Caplan: I see.

Mr Proulx: I would prefer that. If that is the case, then anything that would deal with chronic care hospitals under regulation should come under the Public Hospitals Act.

Mrs Caplan: I just thought of one other thing. You're familiar with the fact that there have been a number of decisions that have been made that have affected the redevelopment of a number of chronic care hospitals to this point in time.

Mr Proulx: I'm aware of two, Windsor and Perley.

Mrs Caplan: Given the study that's been ongoing, do you see either of those—because they're both different—becoming the model under the study?

Mr Proulx: As to what I see as being a model for a type of care, if the Perley Hospital becomes a long-term care centre, I guess I see that somewhere between a nursing home and a chronic care hospital. Each community has to look at that differently, because Ottawa does have other chronic care facilities, St Vincent and Elisabeth Bruyère, just to name two. So there very well may be a role for the Perley Hospital in Ottawa.

I'm not saying that because long-term care centres are a model, that model has to be universally applied across the province. We have to take a look at each centre, each local entity, and see whether that model fits the needs of that population in that community.

Mrs Caplan: Where would you see those definitions being clarified?

Mr Proulx: I'm not sure whether they're going to be clarified in the chronic care role study. I think there has to be further work done after the chronic care role study in order to clarify that.

Mrs Caplan: Thank you.

Mr Jackson: Peter, good to see you again.

Mr Proulx: Yes, thank you.

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Mr Jackson: I don't know how to approach this. I suspect your presentation talked about the way you'd like to see things become and less about what many of us see as the inevitable as to what's coming. Let me share with you two decisions and then ask for a reaction.

I think it's clear, the direction for chronic care hospitals: When the original $50 million or whatever was required to seed the long-term care proposals, the money was found from chronic care hospitals. I think that was a clear signal and an indication. I think all redevelopment applications for chronic care hospitals in this province have carried a codicil that you must reclassify your beds as a condition of getting a penny and, to be honest, that's consistent with redevelopment moneys for homes for the aged. It is a condition of reducing your total bed allocations, so we're in a contraction mode.

We've heard earlier today, to even put a finer point on it, that we might set minimal standards which will have implications for the levels of care, meaning the levels of professionalism applied to achieve those levels of care. That is the context in which chronic care hospitals are currently being cast by the decisions, the two of which I've shared with you.

How is it you can still cling to a view that there may be some hope that chronic care hospitals are not being redefined downward? You'll forgive me for using a direction to describe it. I certainly feel they're at a high standard, and this represents a diminished standard, because I'm a little puzzled by your presentation, Peter, and we've discussed this before.

Mr Proulx: Sure. I think where I'm coming from in terms of the presentation is that I still think there is a need for chronic care as we know it today, however we have defined "chronic care" and that was one of our problems in the industry; we never did define what "chronic care" is. I think there is a role for the Perley Hospital in its redevelopment of a long-term care facility. I think we're going towards that, and I think eventually chronic care hospitals may or may not end up towards there. But we've got some things to think about. The individuals presently in chronic care facilities: How do we manage those people in the transition?

Mr Jackson: If I might interrupt, we're hearing from some people who speculate that with their growing acuity rates, their growing need for additional intervention and support, they will essentially stay where they are, and one of the empowering tools this legislation does is give the future Minister of Health the power to adjust the compensation for care levels and for the state to determine what levels of care will be applied. But surely, in a declining medical model, more and more patients could receive a diminished level of treatment in a facility such a home for the aged or a nursing home—minimal resuscitation, those kinds of life-support interventions—but surely not to the same extent as chronic care hospitals.

Mr Proulx: Do you want a reply?

Mr Jackson: Yes.

Mr Proulx: Okay. I think there is a role for long-term care facilities, nursing homes and homes for the aged. I think there is a role for the Perley Hospital in its redevelopment to become a long-term care facility. Because of its population base, there are people who require that type of care, although in the Perley Hospital today, I would hasten to gather—and I've been through the place and so has the previous Minister of Health—probably about 97% of those people couldn't even get out of bed.

I guess you have to take a look at the individual community and see. In the city of Ottawa, I would hazard a guess that maybe there will be a need for a chronic care facility to provide specialized care. In the city of Thunder Bay, because there is no other chronic care facility, then we have to take a look at all the studies that are going on and try to find a role for ourselves in this continuing process. Some may be chronic care at the level they are now, others may require rehabilitation in the community, others may be extended care or heavy extended care.

I don't think all of it has been thrashed out yet, and before I would say there will be a diminished role for chronic care facilities, I'd like to see what the other facilities are prepared to do. I think we're in that process right now in meeting with the long-term care managers in nursing homes and homes for the aged in the city to try to define what they're going to do.

Mr Jackson: Finally, you referenced at length the things not mentioned in this bill. In response to one of Mrs Caplan's questions, you indicated that the level of consultation hasn't given you at least some direction as to where you're going to be mentioned, and there are the concerns you expressed for the patients that you serve and the employees you represent as well here. Do you have any indication from this government where you're going to be fitting into a consultation about chronic care hospitals as it either relates to the amendments to the Public Hospitals Act or to long-term care reform?

Mr Proulx: As an individual hospital, no. Provincially, though, I sit on two provincial committees with the OHA, and we are setting up a chronic care task group to discuss these issues with the ministry. That's the only avenue I have in order to dialogue with government.

The Chair: I wonder if I could interject with one question that has come through a number of presentations today. I'd ask you to comment and then I'd like to ask the parliamentary assistant if he might comment, because I think it would be useful for the committee to have this information.

There have been a number of comments today with respect to the Alberta patient classification system. In your submission you say, "The Alberta patient classification system precludes any service other than nursing and personal needs." Could you just set out what you see as the problems with that and what alternative you see? Then I would like to get some indication from the parliamentary assistant in terms of whether those concerns are ones that can be met, or just what is happening with this.

Mr Proulx: It's in the context of what we provide in our facility. The Alberta patient classification system, as I understand it, measures only nursing care and the personal needs level. In our facility, as I have stated before, the people who are stable in our facility are stable because of a high degree of intervention, not only of nursing or personal care needs, but also the clinical and rehabilitative needs of those individuals.

The Alberta patient classification system does not take that into consideration. We have tried ad nauseam with reports from the Council of Chronic Care Hospitals of Ontario, from OHA, to present briefs to the ministry to say that the Alberta patient classification system does not take into consideration the different modalities of care that are in chronic care hospitals and those chronic care units in acute hospitals.

It's fine to say that it measures nursing care and personal care, and if that's all you're going to deliver in a nursing home and homes for the aged, then that's what you'll measure, but we've been trying to search for an alternative to the Alberta patient classification system that takes a look at the individual and his total needs in order to deliver that care in terms of measuring it and costing it, and that is not there. There isn't a system that does that in my line.

The Chair: The parliamentary assistant.

Mr Wessenger: I think I'd like to have staff clarify with respect to how the Alberta patient classification system has been modified and how it's been tested, and also to reply to some of your concerns about what doesn't in any way relate to the medical intervention aspects of care.

Mr Quirt: The presenter is quite correct. The Alberta resident classification system—

The Chair: Sorry, we're starting a third phase. Would you mind just introducing yourself again.

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Mr Quirt: Geoff Quirt, acting executive director for the long-term care division. As I was saying, the presenter is quite right that the Alberta resident classification system does one thing and one thing only. It measures the requirement for nursing and personal care in a long-term care facility setting, and that's precisely the purpose we selected the tool for, and for no other purpose.

Let me talk a bit about the selection of the Alberta resident classification system. It really goes back to about 1988, when the Office for Senior Citizens' Affairs wanted to do the first study of assessing the relative needs of residents for nursing and personal care in nursing homes and homes for the aged. A committee at that point wanted to use the Alberta resident classification system but didn't get permission from the government of Alberta to use it and opted for its second choice, the Medicus tool, to survey nursing and personal care requirements of residents of nursing homes and homes for the aged.

Our long-term care task force, formed between the ministries of Health and Community and Social Services, assessed approximately 50 classification instruments that were available in North America and elsewhere, and we measured those classification instruments against four criteria.

We wanted a system that was administratively easy, that could be applied through a peer classification process, because we wanted nurses in chronic hospitals, nursing

homes and homes for the aged to tell us what the care requirements were of the residents they were caring for.

We wanted a high interrater reliability, so a client in Kenora with similar needs to a client in Kingston would score identically on the survey. The Alberta instrument scored the highest in terms of interrater reliability.

We wanted a tool that measured need for nursing and personal care as opposed to activity, and this was a particular aspect we explored with our colleagues in Alberta and visited Alberta to visit facilities where the instrument was in use. If a facility is provided $150 a day to provide programs and services for nursing and personal care, there will be twice as much activity as the facility that receives $75 for those services, so we wanted to measure in an objective way the requirement for services as opposed to the activity delivered.

Fourthly, we wanted a tool that recognized half requirements for other than assistance that was required for the activities of daily living, because we recognize in our system that someone who's confused and requires a great deal of supervision because of a cognitive impairment may consume more staff time than somebody who simply needs assistance with bathing or dressing, and the Alberta classification instrument allows someone to score quite highly in terms of resource consumption based on a cognitive impairment alone.

We tested the instrument with over 5,000 residents in a scientific sample of residents in chronic hospitals, both freestanding and acute, nursing homes, charitable homes for the aged and municipal homes for the aged, and we wanted to test the instruments in two ways. We wanted to find out whether it could be applied easily and with a high degree of interrater reliability with Ontario nurses. We've proved that to be the case. More important, we wanted to ask the question of 35 nurses involved in the pilot study, "Would you be comfortable if the funding for your nursing and personal care program were based on this instrument?" All 35 said yes, they would be comfortable.

It's important to recognize, as I said earlier, that its purpose is singular. Its purpose is to decide how much money to provide to a facility for the provision of nursing and personal care. That does not mean that we're not interested in supporting or funding other important quality-of-life programs in long-term care facilities, and that's why we've designed a separate funding formula that protects, for the first time, funding that must be spent on quality-of-life programs like occupational therapy or physiotherapy or social work or recreation or volunteer coordination.

You mentioned earlier that you've searched for alternatives and you've looked for a system or an assessment tool that would measure the requirement for rehabilitation or for social work or for volunteers or for activation. We can't find one. We'd be delighted if you could suggest one, and that's why we're intending to fund those programs and services in every long-term care facility on a per-client per-year basis.

We've also agreed with both provider associations to study how we might alter funding for aspects of accommodation services and facilities, like laundry and housekeeping, in such a way that it might be more sensitive to the nursing and personal care impact on those accommodation-related services. But it's not intended to fund rehab. We want to make rehab a priority and quality-of-life programs a priority, and that's why we've protected funds specifically for that purpose for the first time.

The Chair: Thank you, Mr Quirt. I'd like to give you an opportunity perhaps to respond, but I would also say that I think that is useful to get on the record, as it were. I don't mean by that that it isn't elsewhere on the record, but you may also wish, as you reflect and think about it over time, if there is something else that you want to tell the committee, by all means, write to us and we will include that in the record as well. Is there any particular comment you would like to make on that, or any reflection?

Mr Proulx: Just that there is no argument with the Alberta patient classification system and what it does, but I'm very pleased to hear Mr Quirt indicate, and it's the first time I've heard it, that there is a priority in quality of life and rehabilitation. That has not gone unnoticed.

The Chair: Fine. Thank you very much for coming, both of you, before the committee this evening. I think this gives us a much better idea of how Hogarth functions, and we wish you the very best with your institution.

JUDY TINNES

The Chair: I'd like to call Ms Judy Tinnes next, if she would be good enough to come forward. Judy, you are known to some of us, but not to everyone. Normally I say to introduce yourself. We have the name, if you could just tell us whence you come and what brings you to this committee.

Mrs Judy Tinnes: Good evening. My name's Judy Tinnes, and I'm a public health nurse in Nipigon. I am very pleased to be able to address the standing committee on social development and share with the committee some of my observations and concerns on Bill 101, An Act to amend certain Acts concerning Long Term Care.

I'm a public health nurse working for the Thunder Bay district health unit in Nipigon. I am a member of the Ontario Nurses' Association and presently am the representative on a Ministry of Health working group, long-term care division, palliative care, implementation of education initiatives for non-physician providers. My presentation this evening does not represent the Thunder Bay district health unit's views, ONA's views or the Nipigon hospital's views.

Some of my concerns with Bill 101 are directly related to our rural geography, so I will give a description of our area for those of you who may not be familiar with northwestern Ontario. Nipigon is located 70 miles northeast of Thunder Bay, Highway 11/17 on the North Shore of Lake Superior. The catchment area for our hospital and services includes 6,000 population, stretching 50 miles north, 50 miles east and 35 miles west. It includes the townships of Nipigon, Red Rock, Dorion, Beardmore, unorganized territories and three first nation reserves, Pays Platt, Rocky Bay and Red Rock.

Our new health care facility, the Nipigon District Memorial Hospital, just recently opened, January 31, 1993. This facility is a 37-bed hospital with 15 active beds,

15 extended care beds and 7 chronic. Presently, only 18 of the 22 long-term care beds are open. The facility also houses the health unit offices, home care nurses, community dietitian, occupational and physiotherapy departments, X-ray, ultrasound, laboratory, palliative care, an office for North of Superior Mental Health Services, a cafeteria where Meals on Wheels are prepared for the township of Nipigon only, an ambulance garage and offices and heliport. Also on the property is the new medical clinic for physicians.

I feel one of our greatest strengths in our area is our present level of coordination and collaboration among all service providers, agencies and institutions. With this outlay, you can certainly see our services can be easily coordinated, and we have developed many partnerships. Because of this and other reasons, I say we have many strengths in our area's current health care system, and these need to be preserved within the redirected system.

I personally share many of the government's goals with respect to the future of seniors' health care in Ontario and I do welcome the shift to community-based care. I believe individuals must have access to appropriate services to allow them to remain in their own communities and homes for as long as possible, but we must keep in mind the quality of life, and therefore recognize that many will still require services within a facility.

As a nurse, I am committed to the four principles outlined in the government's discussion paper on the Redirection of Long-Term Care and Support Services in Ontario, namely, the privacy of the individual and the right to dignity, security and self-determination; promotion of racial equity and respect for cultural diversity; importance of family and community; equitable access to appropriate services.

After reading Bill 101, I was pleased to see many aspects of the bill, including accountability to residents and family, inspections of premises and also direct payments to adults with disabilities who are able to buy and manage their own support services.

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I do, however, have concerns that Bill 101 will restrict consumer choice of care and services. As a public health nurse, I now visit the homes of clients who are seeking admission to a home for the aged, nursing home or chronic care hospital. I complete the forms for the placement coordination service, Thunder Bay district. The decision for placement is then made. Our hospital has a waiting list for long-term care beds, but remember, we do at present have four new beds sitting empty.

Our client is then admitted to a long-term care facility in Thunder Bay, possibly 70 to 130 miles from home. If more funding were available for at-home services, I'm sure some of these seniors would remain in their own homes, in their own communities with family and friends. I've seen native elders and other seniors moved away from their communities, away from their spouses, their families, their culture and often their language. I know that the town of Wawa has no nursing home or extended care beds and must send its clients to be placed in long-term care facilities in Sault Ste Marie, at least two hours from home.

Marathon is three and a half to four hours from Thunder Bay and has a hospital with 18 active care beds and 7 chronic care beds, and those chronic beds only came on stream as of March 15, 1992. Manitouwadge is five hours from Thunder Bay and has a hospital with 23 active beds and 5 chronic. Neither town has extended care beds. Is this quality of life for seniors in their last years?

I sincerely believe that the funding for the number of long-term care beds allowed in a community must be done with much input from these communities. Population and referred population cannot be the only criteria. Distances in the north must also be taken into consideration as well as the number of natives in the region with their unique health problems, and also consideration must be given to the community supports that are available in a community. The required infrastructure must be in place to allow for delivery of community health services.

Also, Bill 101 will preclude couples staying together if they don't meet the new conditions of admission. Again, this could mean couples, either husband and wife or siblings, being separated by great distances and will negatively impact on their quality of life in their final years.

Individuals must be given many options to allow them to stay in their own homes as long as possible, with adequate services where necessary, and to provide facility care where appropriate. Public health nurses are firm believers in health promotion and disease prevention. We have a great appreciation of the social determinants of health.

I believe we must recognize the contribution of clients and families through their resources and care by providing support services, including counselling and support groups. We must be advocates for good home care services. Within the public health mandated programs, we must prepare adults and the elderly for their senior years by using focus groups, by educating them on the biology of aging, by educating them on healthy lifestyles and on our health care system. We can help to empower them to both identify their own health needs and address them. We can help them better understand the shift to community-based care.

As professionals with many skills, I fear we are being overlooked in long-term care redirection. In July 1992, Frances Lankin, then Minister of Health, in her remarks to the Senior Citizens' Alliance for Long-Term Care, stated:

"Health promotion and disease prevention are in fact the platform on which our reform agenda is based. Public health units have historically been charged with community health. It is logical that this mandate now be extended and deepened, in keeping with the new emphasis on these priorities within the reforming health care system."

To return to my concerns with Bill 101, I understand that the resident copayment scheme will now be based on an income test only and will not include assets and income as it does now. Will the taxpayers' burden not increase significantly? What if seniors who have the resources want to contribute to their ongoing costs?

I know the argument has been put forth that a family home as an asset should not be sold in case this client is again able to return to the community. The other situation would be the family home is lived in by the spouse of the patient in a long-term care facility. I can understand these scenarios but still feel there should be ways of allowing seniors to contribute, if they wish and are able to do so.

In originally preparing this brief for presentation today, I had other concerns re Bill 101. One example was the plan of care for residents in the facilities and assessments being done on an ongoing basis. Who would do these? Also, who would do the plan of care? I specifically feel the clients should be involved. As well, a multidisciplinary approach should be used most certainly, including physicians and registered nurses.

Between the time I prepared my original brief and today, I have obtained a draft of the Long Term Care Facility Programs and Services Manual, which I have here. I have been able to glance over this document only very briefly but feel that it will answer some of my concerns, even though many of the points are stated in very general terms. I understand it is only a first draft.

I also understand that Bill 101 is the only piece of legislation that will deal with long-term care and that future reform and decisions will be made by regulations and programs announced by the minister. If this is so, will there be any means for public input for debate and consideration? I truly hope so.

In concluding, I would like to thank the standing committee on social development for listening to my concerns as an individual. I believe government and government decisions can only be improved by involving its citizens. I plan to remain involved with Ontario's health care reform and I look forward to the shift from institutional care to the community.

Mrs Fawcett: Welcome to the committee and we thank you for bringing your brief. Certainly, you touch on something near and dear to my heart and that is the concern for the rural community. So often, as I have seen, the metro or the large urban tail wags the dog and the rural community is kind of left out of this. I believe it is very important that all their needs be considered, because if our aim is to make the best possible situation for seniors in their declining years, then we have to take into account where they live and where they're going to be happy.

I wonder if you could maybe expand on some of the real concerns that you see for the rural community if the services are not there, especially before we go on; if we're going to have a decreased number of beds; where we have seen beds being cut back and then the services not ready. Also of concern, and I think you touched on it, is the native community. I know there's supposed to be the advisory council report coming out and I wonder if you've heard anything on that or if you've heard what their thrust is even, because we really haven't heard much.

Mrs Tinnes: I haven't heard anything from that report. I've only read that it's going to happen. I visit and work on one of the reserves, Rocky Bay First Nation at Macdiarmid. I had a meeting with the chiefs and council last week and just casually mentioned the long-term care and they knew nothing about it whatsoever. They were able to tell me that their elders, when they are put into long-term care facilities, if there's not a bed in the Nipigon hospital, and as I mentioned, there is a waiting list, then they come to Thunder Bay. The chief told me he did not remember one senior who had lived longer than six months after they were transferred to Thunder Bay.

Mrs Fawcett: That is tragic, really—

Mrs Tinnes: Their culture, their language—and I realize the tough economic times we're in and I just wonder about funding. I certainly don't have the expertise and have never been involved in the funding, but I look at situations like that. I mention mileage in my brief and we have just, for instance, the Meals on Wheels for Nipigon and Nipigon only. They don't go to any of the other communities. We have home care nurses who go to the reserve twice a week or once a week. That is not seven-days-a-week, 24-hours-a-day service, so those people just are unable to stay in their homes.

Mrs Fawcett: I would imagine the whole respite care problem must be very crucial, too.

Mrs Tinnes: A great problem.

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Mrs Caplan: I think the presentation is an excellent and thoughtful one, and I'm aware of some of the particular problems in Nipigon but also of some of the challenges, being so close to a centre and yet being so far away.

I guess the question I'd have for you is whether you've thought about any kind of specific amendments for the legislation that's before us today that might address some of your concerns. I know you've raised the concerns, and they're very helpful to get us thinking, but if there was a specific recommendation of a change that you'd like to see, that might be helpful for the committee.

Mrs Tinnes: I don't think it actually deals directly with Bill 101. It's my concern with how the population ratio is; the beds are chosen of how many we can have in these small areas that we live in. I alluded to Marathon and Manitouwadge also, and when I got into this, I could not believe that they did not have long-term care facilities in their small towns, when they're five hours away from Thunder Bay. But I know that isn't directly in the bill.

Mrs Caplan: Where would you be looking for that kind of more comprehensive approach that defined what a facility was and what the expectation of a smaller community should be?

Mrs Tinnes: Where would I be looking for that?

Mrs Caplan: Well, there are two things that are coming; we've been told that we're going to have them by March. One is the long-term care policy framework and the other is the chronic role study.

Mrs Tinnes: Right.

Mrs Caplan: We know that there have been a number of changes in the whole area of the delivery of chronic care services, and you've alluded to the special nature of that in some of the smaller communities. Are you expecting to have those questions answered in the long-term care policy framework?

Mrs Tinnes: More so in the long-term care policy framework, but my concern still is funding for services in these communities. We cannot be closing hospital beds and not opening four long-term beds that we have sitting in

Nipigon without having infrastructure in place in these communities, and there just is no infrastructure whatsoever.

Mr Wessenger: Thank you very much for your presentation. I'd just like to comment, first of all, about your comment with respect to this being the only piece of legislation. As you know, there's a policy statement expected out at the end of March, and I would assume—in fact, the previous minister, I believe, indicated her intention probably to introduce additional legislation in order to implement some of the aspects of the policy statement. I just wanted to indicate that.

I'd like to ask you about this situation of the small communities, and I certainly can appreciate the problems in northern Ontario. I just want some specific suggestions about how you would see the long-term care provided. Would you see it as a necessary adjunct to a hospital? Would it have to be provided in conjunction with the hospital just because of the practical elements? Secondly, what about some sort of supportive housing type of situation for some of these communities? Would that be an alternative to sort of a long-term care facility?

Mrs Tinnes: We have discussed the seniors' housing in both the small town of Beardmore, which is 50 miles north of Nipigon, and also at the Rocky Bay reserve, and of course the Rocky Bay reserve is funded quite differently than, say, the town of Beardmore would be. But yes, they would like that, definitely; the reserve and the small town of Beardmore.

Again, we go back to the economic picture in Ontario. I don't know if that is really feasible. That is the perfect solution. Can we afford this or are there other alternatives? I think that if there are more long-term care beds attached to hospitals in these small communities, that is a much better answer than, say, building a nursing home by itself, like we have in Nipigon. I believe that Marathon and Manitouwadge have looked at that, but it's just to me sinful that these people have to be moved five hours away from home, with no chance of taking their choice of either community-based services or going into a facility in their community.

The Chair: Mr Hope, last question.

Mr Hope: Mine's dealing with page 2 of your presentation, the bottom paragraph. You went on to say, "After reading Bill 101, I was pleased to see many aspects of the bill including accountability to residents and families." I was wondering if you could elaborate on that a bit?

Mrs Tinnes: The accountability to residents and families was the agreement that's going to be in place between the government and the facility. The nursing care plans: After I read this, I realized that the clients and the families will be involved, which I didn't know in the beginning, so I think there is certainly an accountability there to consumers as well as to their families.

I'm just sorry that for evenings like this there aren't more consumers and more people involved. I find that they really do not know what is going on. It's nice for me, as a service provider, to know that there's going to be that accountability, but then I think it's the job of somebody like maybe public health nurses to inform the public.

The Chair: Thank you very much for coming down from Nipigon tonight and sharing your presentation with us.

THUNDER BAY COUNCIL ON POSITIVE AGING

The Chair: I call next on the representatives of the Thunder Bay Council on Positive Aging, if you would be good enough to come forward. Welcome to the committee tonight. Thank you for joining us. Once you're comfortably settled, perhaps you would be good enough to introduce yourselves for the committee and for Hansard.

Mr Dan O'Gorman: My name is Danny O'Gorman. I'm the president of the Thunder Bay Council on Positive Aging, and this is Pyteke Blaauw. She's the coordinator of that council.

The Chair: Welcome to the committee.

Mr O'Gorman: It's nice to be here, I think.

The Chair: We're really warm and fuzzy.

Mr Wessenger: Yes.

Mrs Caplan: Only the parliamentary assistant bites.

Mr O'Gorman: Is that right? Then I'm glad I'm not closer.

The Chair: He had a pleasant dinner, so he's not going to hurt anybody tonight.

Mr Wessenger: I never hurt anybody anyway. Elinor knows that.

Mr O'Gorman: We are pleased to have the opportunity to discuss with the standing committee our perspective on Bill 101. We've taken note of the government's principles guiding the Redirection of Long-Term Care and Support Services in Ontario system, and COPA's views are expressed in the position statement of February 1992, and it reads:

"The Council on Positive Aging is a not-for-profit, membership-driven organization in Thunder Bay and district where seniors, service providers and the community at large uphold the goals to improve quality of life for all older adults by promoting seniors' independence, security and respect.

"Members of the Council on Positive Aging believe and commit their energy to ensure that seniors have a right to independence in community living, supported by services that are accessible, universally available and coordinated; a stable income; positive health achieved through promoting wellness; be consulted and listened to by those who develop policies and programming; choice and control; life with quality; legal protection from physical, financial and emotional abuse."

Based on the above-stated objectives, the Thunder Bay Council on Positive Aging offers the following position statement pertaining to the Redirection of Long-Term Care and Support Services in Ontario:

The necessity for better integration of the service delivery system is recognized. Health and social services for the elderly need to be easily accessible, well coordinated, efficiently managed and directed to the needs of the consumer, affording room for flexibility and openness. The consumer needs assurance that there is adequate opportunity to exercise choice and control.

Most elderly people prefer to live at home and in their own community as long as possible. Eighty per cent of the care received by seniors living in the community is provided by family members, friends and neighbours. Through financial and educational support the government recognizes the importance of the care giver role.

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COPA interprets independence as "the ability to be in control of and make decisions about one's life, rather than doing things alone or without help." The availability of choice will influence the quality of the decisions.

Government is responsible to ensure adequate transportation systems for the elderly, especially in rural and remote northern communities.

Also necessary to incorporate in the long-term care redirection is an affordable home maintenance program to assist the elderly in maintaining the physical structure of their residence.

Government will ensure that the role of the service coordinating agency is that of referring, liaising, evaluating and incorporating case management techniques with respect to seniors' needs for companionship, security and privacy.

There is a fundamental difference between information collection and professional assessment. Assessment involves professional judgement, and this falls within the expertise of the service-providing agencies. COPA advocates the need for the service coordination agency worker to make seniors' active participation in community life an underlying principle of long-term care.

Community living is commonly associated with independence and institutional living with dependence. In the first instance, isolation and lack of security can be cited as a negative aspect, while loss of control and lack of privacy are associated with institutional placement.

Government is responsible to ensure that the environment within the institution provides for dignity and respect for the individual and that companionship and privacy are balanced. With this assurance, institution placement will become one of the options for care, rather than an appendage or last resort.

One of the prerequisites of independence is a stable and adequate income. Government is responsible to ensure just and compassionate treatment of its elderly citizens within a responsible economic framework. Government is responsible for ensuring that all essential health care services are universally available and accessible to its citizens, regardless of their ability to pay.

The viewpoints expressed in this position statement are a summary of several consultation sessions with consumers, service providers and the community at large in both the city and district of Thunder Bay, and are endorsed by the board of directors of the Council on Positive Aging.

Bill 101 concentrates on institutional care, and hence only deals with a small aspect of care of the aged and the disabled. We do not feel we have the expertise to respond to all clauses in Bill 101. Instead, we have chosen to concentrate on some basic principles underlying the reform.

Senior citizens have a legitimate interest in long-term care redirection on two counts: They are major users of its services and they pay taxes to support these services. The act attempts to ensure uniformity, equitability, efficiency and a greater level of accountability regarding the delivery of care.

Bill 101 confirms to the client the inherent right to be treated with dignity and respect, and to quote Chief Kaminwash of Osnaburgh, "If we do not respect those who nurtured us and taught us, can we seriously expect to congratulate ourselves on our achievements in other areas of culture and social change?"

The Council on Positive Aging suggests that in determining a person's eligibility for placement, as worded repeatedly throughout the act starting at 9.5(5)(a), the Charitable Institutions Act should read, "...a placement coordinator has determined that, based on the client's needs, the client is eligible for admission."

In Thunder Bay, a well-respected, credible placement coordination service is in place, and we support the present role of the existing placement coordination service. The Thunder Bay District Placement Coordination Service acts as an intermediary. Its task is to come up with a suitable placement, meeting the needs of the person and meeting the service that the nursing homes and charitable homes for the aged and municipal homes can deliver.

The act needs to include a clause giving the institution the right to refuse admission if it cannot deliver the level and kind of care the person requires. It also needs to be a consumer's right to appeal after refusing placement in an institution for which he or she has been deemed eligible. Starting at a placement coordination service and at every subsequent level of procedure, the consumer needs to be informed as to the appeal process available to him or her.

The wording regarding the establishing of a care plan still reflects the outdated sentiment of having things done to people. No matter how frail, the participatory aspect of the person needs protection and deserves attention in the act.

Beginning at clause 9.12(a) and subsequently when references are made to "care plan," it should read: "(a) the requirements of each resident of the home are assessed in consultation with the resident or, in the event of severe cognitive impairment, with his or her designated spokesperson on an ongoing basis."

Methods of appropriate evaluation of care plans have to have real meaning to the residents and the service providers.

We understand that the Ministry of Community and Social Services can enter into a direct service contract with a disabled person. It is unclear who qualifies as disabled. Does a senior, after having suffered a debilitating stroke, qualify to enter in a direct service agreement to obtain a grant to financially support his or her care in the community?

A specific funding formula needs to be enshrined in both the act and the regulations, stipulating the payments from the government to the licensed institutions, to assist in defraying the cost incurred by the licensee in providing accommodation, care, services, programs and goods to residents of that institution. It should not be left to the government of the day to decide these levels of reimbursements.

Finally, all nursing homes, charitable homes for the aged and municipal homes should have local boards of management which monitor and scrutinize the delivery of service in these institutions.

The Chair: Thank you very much, both for the recommendations and also for your suggested amendment to that one particular section. We'll begin the questioning with Mr Jackson.

Mr Jackson: I appreciate your brief because even though you say you have limited ability to respond, you've done a very good job addressing some of these clauses. Even I, after all these years, have sympathy with you trying to understand bills.

Having said that, could you expand a bit for me on the appeals board? I was interested in section 3.2, "a consumer's right to appeal after refusing placement in an institution for which he or she has been deemed eligible." Can we explore the concept of who, in your view, should be deeming a person eligible?

Mr O'Gorman: Again, the placement coordination services in our community have worked very well in that regard of acting as an appeal because of the board that operates and supports it and works in conjunction with the person and the agency that the person wants to be placed at. The person can go back to the placement coordination services and have a meeting set up with the officials of that agency to discuss the reason for refusing admission, and maybe it could be turned around; in some cases it is.

Mr Jackson: What about the appeal on the basis of whether you're deemed eligible or not?

Mr O'Gorman: Again, the problem you have is one of information, is one of a proper assessment, and sometimes that is a little confusing.

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Mr Jackson: I don't want to lead you in this.

Mr O'Gorman: No, it's okay.

Mr Jackson: But would you not then suggest that we look at strengthening the requirements of placement coordination services for their staff for their levels of understanding, their ability to deal with complex assessments—

Mr O'Gorman: Yes. My feeling is that with this Bill 101 you need to enhance the placement coordination services in a number of different areas to make it what I think it's intended to be in this particular bill.

I guess the thing too is that what is really important is that the placement coordination services should know what the abilities are of the agency to deliver a kind of service. I know there are some areas in the act that scare me because those particular services aren't there, and it almost looks like the homes and the nursing homes are becoming hospitals. I don't think that's what you intend it to do.

Mr Jackson: I can assure you they're not going to be. The patient mix may change and leave the impression of that, but certainly it wouldn't be on the basis of the services they provide, but perhaps on the basis of the patients they purport to service. That's a difference.

You lead beautifully into my last question, which has to do with service agreements. The greatest area of uncertainty is the funding formula, of course, and we've been told by the government in no uncertain terms that it will not be included in the legislation. Having heard that, and given that the majority of the announcement on long-term care, in the short term anyway, dealt with increased user fees, can you offer any other comment on growth in user fees and the lack of clear protection, entrenched in legislation, of funding formulas?

Mr O'Gorman: Well, I hope I can. I think the one thing you have to look at is that the user fees can't exceed the old age security supplement and GAINS if somebody's coming in without any assets at all. So what you've got are minimal amounts of money, and out of those dollars there has to be some kind of pocket money that is paid to the individual.

Mr Jackson: Are you afraid that there might be placement based on ability to pay?

Mr O'Gorman: I think that's what it's leading to, personally, and I think you will find that will be the case, mainly because the assets available for operating the institutions will become less and less and less and they will start to be a little selective in how they're dealing with that. We would not like to see that happen. We'd like to see the equitability of placement no matter what money is there and available for payment.

The Chair: I have Mr Hope and Ms Carter.

Mr Hope: A couple of questions. When you talked about the home maintenance programs, am I to take it that the current home maintenance programs do not work for seniors?

Mr O'Gorman: They're there, but they're limited, and I'm not sure that they're as well advertised as they probably should be. I know that they're there, and they probably need to be expanded, especially in the areas of where you have, let's say, a widow who has not had any spousal pension that was handed over from her husband or anything like that and it's limited as to what she can pay for this. If you're going to try to create an aging-in-place kind of thing, you're going to have to make sure that the facilities are designed so that people can stay in place and that they're supported there.

Mr Hope: The other question I have is that I noticed you used the word "disabled." It's unclear who qualifies as disabled, and in the legislation it's "disability."

Mr O'Gorman: Well, what's the difference between disability and being disabled? I'm not sure.

Mr Hope: For those who have fought workers' comp, it means quite a bit.

Mr O'Gorman: I don't doubt it. They have a hard time proving one way or the other there too. I think the thing is that, leaving off the intention of what's disabled or disability, it means that we really have to make sure that what we're putting in an act, the act itself can pertain to everybody who is in the community. The thing is that if you're talking about seniors, there are a lot of seniors with strokes and other kinds of disabilities who have a hard time making it. In the north it becomes even more so

because of the four or five months of winter we have and trying to get out and get around. So I think you'd better take a very close look at that clause and make sure it is understood in the community, or it's going to cost you a bundle.

Ms Carter: I was going to raise some of the same points that Mr Hope has, but just to follow up on the one we were discussing, I understand that over-65s can have direct funding if they're disabled. Does that apply to somebody who becomes disabled at that age or later? I wonder if Mr Quirt could just say something about that.

The Chair: Through the parliamentary assistant.

Mr Wessenger: Yes, I will ask the ministry staff to clarify, though I might indicate that certainly the pilot projects that are envisioned are for those who are—the younger physically disabled group, shall I say, is what we're looking at in the pilot projects initially, but I'll let Mr Quirt indicate further.

Mr Quirt: Our current thinking on that is that, yes, someone at any age who would meet the eligibility criteria for the new in-home services program for what home care now offers, whether they're developmentally disabled, physically disabled or disabled as a result of age and frailty, would be eligible to be considered for direct funding if they are in a position to manage their own care. The level of support they would receive would be comparable to the level of support they'd get through the normal service system with services purchased on their behalf. Our current thinking is that that funding would be given directly to the individual, who would be free to make his or her own arrangements for support services.

Ms Carter: Yes, this does seem to be one of the aspects of the bill that meets with universal approval, and I'm sure that pleases you, too.

Mr O'Gorman: It does, but what's in a bill and what's in the regulations and how it's delivered then becomes another factor. Hopefully, some kind of evaluative techniques will be used to see whether they are really working.

Ms Carter: You also raise on your first page that you want "legal protection from physical, financial and emotional abuse." I was just wondering whether you feel that the acts we passed in December—the Advocacy Act, the Consent to Treatment Act and Substitute Decisions Act—do in fact cover that ground and give vulnerable people much better protection against abuse than they had previously.

Mr O'Gorman: I think probably they can, but the problem we have—certainly in the city of Thunder Bay we're probably pretty well served with lawyers and things like that, but in our district that's not the case. So you really have to take a look at the widespread part of the north as to how that Advocacy Act can be implemented where there aren't any legal services so far.

Ms Carter: It isn't really a question of legal services.

Mr O'Gorman: Well, who picks out the person who is going to be the advocate?

Ms Carter: I guess it's a question of having a telephone number to call, because there will be people who are in fact employed as advocates by the Advocacy Commission being set up who will not be lawyers. Their function will be to listen to their clients, find out what their problems are and act on that, either in a very individualized way or, if they find that there's a group of people who share a problem, they are able to act on it in a systemic way and get the problem put right. Of course, that would include problems with a facility that wasn't being properly run, or maybe somebody who was completely neglected or had family who weren't looking after him properly or whatever. I would have thought this did pretty well cover what you're saying there.

Also, of course, under Bill 108, people will be protected from financial abuse by having somebody with power of attorney, hopefully whom they had designated when they were able to do so, who could look after their finances. Also, there's now the possibility of an attorney for personal care.

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Mr O'Gorman: There are a lot of questions in that act yet to be experienced and to find out whether it is going to do exactly what it says. In fact, there is going to be a session on that on February 25 here, so I want to take a look at that. I reviewed the act initially, and there were a lot of things in it I didn't particularly like, but I'm waiting to hold my judgement on that until I learn a little more about what's happening.

Ms Carter: I hope it won't be judgement; that it'll be input we can act on.

The Chair: Final question, Mrs Fawcett.

Mrs Fawcett: Thank you for your presentation and for suggesting amendments. I think that is very helpful to us. I certainly agree with the one where you suggested that the quorum for the appeal board should be increased to three. I think that is a much fairer way and should be there.

In your section 3.1 on the appeal board, you said it needs to include a clause giving the institution the right to refuse admission if it cannot deliver the level and kind of care the person requires. Do you mean without a penalty? Because someone could refuse to accept a client and then be subject to possible penalty for that. I am just wondering if that was your line of thinking there.

Mr O'Gorman: I would say so. Again, like in delivery of service, accepting people into institutional care requires a working relationship with your placement coordination services and the people in the community who are recommending that they be placed there, and also the client. The client himself or herself should also have the right to make a decision whether he or she wants to go in or does not.

Mrs Fawcett: Yes. We like to keep them in the community as long as possible if that's what they want, but if they choose—my 94-year-old aunt wanted to go to a more institutional-based setting because she was lonesome and wanted people around her. I think that flexibility on both sides is necessary.

Very quickly on the disabled question again, did the ministry staff clarify what you thought should be the definition for "disabled," that it include anyone at any time who becomes disabled?

Mr O'Gorman: Yes. You may want to look at regulations and make sure that that's very clear.

The Chair: Thank you very much for coming out this evening, for your presentation and for answering our questions.

ONTARIO ASSOCIATION OF SOCIAL WORK ADMINISTRATORS IN HEALTH FACILITIES

The Chair: I now call upon the representatives from the Ontario Association of Social Work Administrators in Health Facilities, if you would you be good enough to come forward. Welcome to the committee. Would you introduce yourselves and then please go ahead with your presentation.

Ms Geri Cosgrove: Thank you. I'm Geri Cosgrove, social work director at an acute care hospital here. Eleanor Ward is another social work director in another acute care hospital. In our membership here in Thunder Bay we also have the psychiatric hospital, chronic hospital and home care program social work directors.

We chose not to give each of you a copy, partly because we're quite sure we're not going to say anything you haven't already heard, and also we wanted to save a few more trees, at the risk of a few jobs in northern Ontario.

On behalf of the Ontario Association of Social Work Administrators in Health Facilities, Thunder Bay branch, we tender the following remarks.

We applaud the government for its intent to help people age in place and remain in the security of their own home for as long as possible. We do, however, have some serious concerns in regard to the legislation.

The overall tone of the bill sounds inflexible, even dictatorial. It suggests that the placement coordinator will be an agent of government rather than someone who makes the system work through those good old Canadian virtues of negotiation, compromise and cooperation. From our experience in Thunder Bay, a crucial attribute of a successful placement coordination service is flexibility.

The issue of choice for the patient is next in importance. I'll switch between "patient" and "client," I guess. For the clients, is there choice as to which institution they go into? Are we looking at the next available bed? Thunder Bay, you see, is a geographically polarized city, with long bus rides from one side to the other, which makes daily visiting almost impossible and therefore is a great concern to spouses. We already have this problem in terms of chronic hospitals because both of them are on the Fort William side of town, so people who live in the north end of the city have a great deal of difficulty visiting spouses in the chronic hospitals.

Choice on the part of institutions is also crucial. Thunder Bay's placement coordination service—and I'm sure you've heard this many times today—is a successful model of all agencies involved in long-term care working together to provide a coordinated service. One of the reasons that the long-term care institutions buy in willingly is that they know they will not lose control of their institution, their admission criteria and therefore the care they offer. In this program, what appeal process do the institutions have?

Next on the list is the decision re eligibility for placement. Where and when will these criteria be known? Our concerns are several. How much of a role will cost-effectiveness play in the criteria? Will it be balanced against family stress or care giver burnout? What about a senior's desire to be in a facility with social activities and people to interact with, rather than a lonely apartment with sporadic professional helpers visiting? Will these points be addressed in the criteria?

The proposed appeal process appears to us to be inefficient. It seems to be a sugar coating over a bitter pill. Should the elder be in hospital while following all appeal channels, this will be very costly to the health care system.

In our experience also—and here I mean as hospital social workers—patients and family rarely question the denial of what we now know as extended care benefits; in most cases this is a decision not to go into long-term care because the cost is prohibitive. People don't usually question that. It is more often the professionals involved who are not satisfied because the present criteria do not assess level of confusion or ability to direct one's care.

Moving on to the appeal board: Since one member is considered to be a quorum, we suggest that the first and only level of appeal be to binding arbitration. The proposed two-tier system of appeal is ponderous and unnecessary. You see, these seniors, those in hospital anyway, can change from day to day and make an assessment that is only days old obsolete and the appeal process redundant. We feel that relatively few seniors will use it, and the stress and strain of the process will only undermine their security.

Our final point has to do with the idea of a copayment. We strongly suggest that the Public Hospitals Act be changed to allow for copayment billing for people who wait in hospital for placement. It's already being done in Manitoba. As it stands now, the most expensive service in the system is seen to be free by the patient and family. There is no incentive to consider other options that will have out-of-pocket expenses. The copayment would balance the scales for those of us who are working with patients and family to help get the elder back home.

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It is important to consider the whole system and not allow part of it to appear to be free. If home care and the long-term care institutions charge for the room and board aspect of their services, then hospitals must be on an equal footing.

In another vein, some of the funds realized through a copayment could be used to provide life enrichment activities to these long-term care patients in acute care hospitals, because as it presently stands they are often forgotten and do not get the kind of socialization they require. As in the copayment system presently in effect in the chronic hospitals, we would suggest that the charge be commensurate with income and with the need for financial support of a spouse.

Thank you for the opportunity to address you.

The Chair: Thank you very much. I think in point of fact you've raised some issues that haven't been raised before. We'll have that on Hansard and we'll begin the questioning with Mr White.

Mr White: Thank you for your presentation. I think you have indeed raised a couple of rather succinct questions that

just came out of nowhere for us: the idea of copayment for a long-term hospital stay, binding arbitration. It makes a good deal of sense. Some of my friends who are more conversant with negotiations and binding arbitration than I could probably comment on them.

I'm wondering, though, in terms of the complex decisions that are involved in placement, the complex decisions that are involved on the part of the clients, we talked a few moments ago about clients who might be able to direct their own care getting directed funding, but a lot of those things are very complex professional decisions. You have families that are directly involved in most of these cases, in most of the placement situations.

It's not really spelled out so much in the legislation. It's hinted at here and there, and of course you want to give those residents, those clients, who are capable every room to make their own decisions. Yet it is the families that are usually involved, usually their daughters, who are caring for an elderly mother or dad, who are directly involved in those placement decisions.

As social workers, you mentioned the care giver burnout, the family stressors. How would you see yourselves, on a community basis, interfacing with those families in that decision-making process, and how would you see your role as social workers as distinct from, say, the RNs or the physicians who are involved in placement decisions?

Ms Cosgrove: It's quite often difficult to decide who is going to be your patient. The elder certainly is, but when you see a daughter caring for him or her who has to care for her own children and husband and family and career, it's often a question about who should be the real client. The elder often says he or she wants to remain at home—this is in the present situation—but is not able to be there on his own without a lot of care from the daughter. So they're almost making the decision about their daughter's life rather than so much about their own.

Our role we see very much as between those factions, trying to get one to understand the other's point of view, and it's extremely difficult. If the daughter is going to stand up for her rights, it makes her look like the worst person on earth to withdraw care and support, but sometimes that's almost the only choice she would have to be able to have her needs met should she need to be away from her care giving duties.

Again, our role too is very much with, say, the placement service or with any of the community programs in town, that we try to work out as much respite as is possible for the daughter, that we just bend every rule and use every bit of the system that we know how to use so that if it's the senior's wish to stay at home, we can meet that wish, but also to help the daughter manage in that kind of situation. I think that's how we're different from the medical people in the hospital, because we're very involved with the community as well.

Mr Wessenger: Thank you for your presentation. I was interested in your comments with respect to the appeal process and the fact that you feel it would not be used very much.

I'm wondering if there might be some alternatives we could look at, and the first alternative I'd like to throw out to you is the fact that if there was some sort of local informal appeal process with respect to this question of determining eligibility, do you think that would help deal with some of the situations?

Second, as you say, if the client's health deteriorates quickly, I think it would be important to allow another application to the placement coordinator, based on a change in the health status.

I just ask you to comment on those two suggestions.

Ms Cosgrove: I feel at a bit of a loss because I have no idea what the criteria are that will decide whether a person can go into an institution or not. If I knew that, then I think we'd be able to answer better about an appeal process.

However, I think to have something right here—you see, in Thunder Bay we used to have an informal appeal board kind of thing; I'm sure you've heard about that today, so I don't need to tell you more about it—and it worked extremely well. None of us knew who was on it, so there was no pressure put on anybody who was on this appeal committee. Also, the whole decision-making process was the end product of many people being involved, so even the executive director of placement service does not have a hard time directed at her all the time. Otherwise, that would be a lot of stress to be handling.

So the appeal process here would be a good thing if it were not just one person, if that's an appeal process. And your second question?

Mr Wessenger: The second question was, would you fill out—

Ms Cosgrove: Fill in the papers again?

Mr Wessenger: Yes, right.

Ms Cosgrove: Yes. My experience is that during the period of time that we have people in hospital, we may do the papers three or four times on them, because their level of care will change that often, and we don't even start doing the work on them now until they're very stable and we've done what we think we can and they've reached their level.

We do the papers and yet, you know, anything can happen, even just a urinary tract infection. There's a period of time when they're quite ill, but then they may recuperate, they may not, so within two weeks you're doing papers. If you were going through the whole appeal process, you've no guarantee that when you finish people are going to be the way they were when you began.

Mr Wessenger: Yes, it almost seems like you'd be better to make a new application than to go through an appeal process, because there is likely to be a change in health circumstances.

Ms Cosgrove: That's right.

Mr Wessenger: Would you like to have some explanation of eligibility criteria? I know we have ministry staff here who'd like to explain.

Mr Quirt: The eligibility criteria, the first draft of them, are contained in the long-term care facilities program

manual, in the first draft of that document. The second draft is expected out shortly. The eligibility criteria are intended to ensure that each prospective facility resident has community service options explored and that community service alternatives are considered by the client and the family.

The criteria don't spell out as well as they need to, quite frankly, currently the legitimate reasons for eligibility for a long-term care facility placement, other than physical limitations or problems with the activities of daily living. The staff are currently working on some explanatory notes to more clearly define who might be eligible.

We're quite prepared to acknowledge that there may be some clients who have limited problems from a physical functioning point of view but because of their social circumstance, being afraid and lonely in their own community or other social circumstances, may be prime candidates for admission, whereas someone, for example, who requires a great deal of nursing and personal care support who has a care giver may not even consider admission to a long-term care facility.

We hope that the message we attempted to convey in those eligibility criteria will be expanded on a bit and that the second draft of the manual will make our position more clear and hopefully more acceptable to those people in the business.

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Ms Cosgrove: Especially in the area of confusion and so on in ability to direct one's care.

The Chair: Ms Fawcett?

Mrs Fawcett: I think Mrs O'Neill was going to ask a small question first.

Mrs O'Neill: I want to thank you for coming. You very beautifully described what I have been through in the last 18 months until my father died in January and the role of the social worker in that kind of situation, a man who wanted to stay in his own home, and did, but the social worker in that case was the ultimate bridge to all of the other services, and you described that the best I've ever heard it described. That's why I got on, again, the bandwagon of the regulation of social workers in the province, and I want to continue on that.

Ms Cosgrove: Thank you.

Mrs O'Neill: There was one part—and many questions have been asked that I would have liked to have mentioned—

Interjection.

Mrs O'Neill: Perhaps Mr White wants me to mention it was his private member's bill that I supported.

Mr Jackson: And his government that isn't bringing in legislation.

Mrs O'Neill: We must always give credit where credit's due.

You talked about the copayment, and you just in one small sentence talked about that it would have some relationship to spousal care. Could you say a little more about that, because we haven't really heard that kind of an emphasis.

Ms Cosgrove: I think if you look at the way it's done in the chronic hospitals now, it's I believe a negotiated amount of money, and if there is a spouse who is still living in the home or apartment or whatever and requires a certain amount of money to live, then that's taken into consideration in the equation.

I believe the basic amount of money for anybody just getting the very basics is roughly $1,800 a month. If you took the $800-and-some payment that it already is for long-term care, that wouldn't leave that much money for the other person, who would still have to pay rent, which might be full market rent, or taxes and so on.

I would just ask that when it does come, if it came to charging a copayment, you be able to take into consideration that there is a spouse still living needing part of the income and having the need for transportation and so on, especially in this city.

Mrs O'Neill: Thank you. I think Mrs Fawcett does have a comment. We work as a team.

The Chair: Are you part of the tag team, Ms Fawcett?

Mrs Fawcett: I was interested too in a client perhaps being charged while in the hospital waiting to be put back into the community, whether it be an institution or maybe even back into the home, and how this might work in the rural community, where sometimes it's a little more difficult to get the services required and maybe the client would have to stay a little longer in the hospital and whether you had thought that through and how all of that would work, as well as in the native community too, because at least I'm being told here in Rural Roots that it is a little more difficult to get the services in the rural community than it is in the urban centres.

Ms Cosgrove: That's very true, and I guess I have to admit I didn't think about being out in the rural areas as much as I was just focusing on the city at the time. However, we do have people who are in hospital, I hate to say, up to two years to wait for the level of care they require, and all that money just sits there and should be used to provide for their care.

Often we're working as hard as we can with a family who really is burned out, but the senior wants to get back home again, and if we have to look at—they just are afraid to let go of their money too, you know. They're waiting for a rainy day, and you can't point out to them, "It's going to cost you this amount of money when you go into a chronic hospital or nursing home. You could spend that right now and be back in your apartment, paying for extra services," and so on. However, out in the more far-flung regions—we certainly have them—it would be more difficult. But I would think if there's a need, these days you're going to have an agency, private or otherwise, that's going to spring up to do what it can.

Mrs Fawcett: I hope you're right.

Ms Cosgrove: I do too. We have a lot starting here in this city, and I'm sure the region would.

The Chair: Thank you very much for coming before the committee this evening and in particular for giving us the perspective from the social worker's side in terms of this whole issue. It's been very helpful.

RAINY LAKE HEALTH STUDIES PROGRAM

The Chair: I would now like to call on the representative from the Rainy Lake Health Studies Program, if he would be good enough to come forward. As you make yourself comfortable, before you introduce yourself, I would just note for the members that the 9 o'clock deputation will not be here, so this will be the final submission this evening.

Welcome to the committee. While you may be the last one, I can assure you that we are as attentive as we were at 9 o'clock this morning. We welcome you here. I would assume you have come from far afield, from Rainy Lake, no doubt.

Mr Dave Murray: Right. Fort Frances.

The Chair: Very good. Thank you for coming. As I mentioned, would you be good enough to introduce yourself and then go ahead with your submission. We have a copy.

Mr Murray: My name's Dave Murray. I'm the project coordinator for the Rainy Lake Health Studies Program. It's been looking at the development of a comprehensive health organization for our catchment area. I'll just briefly explain that my presentation won't exactly follow what you have in your hands. You could read that some other time.

Interjection.

Mr Murray: Actually, now that I know I have a whole hour to go, I can go into a lot more detail.

Interjection: I'll read it.

The Chair: Is there a doctor in the house?

Mr Murray: The area I come from is about 6,000 square miles. It's on the borders of Manitoba, Minnesota and on the other side of Atikokan, if any of you are familiar with where Atikokan is. We have a catchment area population of about 20,000 people. We have 10 first nations reserves and three major communities, those being Fort Frances, Emo and Rainy River.

The comprehensive health organization is a project we've been working on for about three and a half years now and we finally, in January, completed our feasibility study and are looking forward to implementing it.

You may wonder why I'm here about Bill 101 when I'm discussing a comprehensive health organization. We see that the development process, the goals we have, are very similar to the goals under the long-term care redirection. I should let you know that my background isn't in health or social services. That may be either a liability or an asset, depending on how you look at it.

The Chair: Many members of the committee are in the same boat.

Mr Murray: Sometimes it makes things clearer.

I'll just give you a brief description of a comprehensive health organization. In the broadest terms, CHOs will take responsibility for the delivery of services for a locally defined population. This population will make up their roster. Therefore, CHOs will work in partnership with physicians, acute care hospitals, chronic hospitals, in-home services, homes for the aged, nursing homes and community agencies to support the needs of the local community.

A CHO is a non-profit corporation which assumes responsibility for the provision or purchase of a range of specified, integrated health treatment, promotion and health-related services for a defined population of members and for the overall quality assurance evaluation of health services provided. CHOs are to view health in the broadest terms, to include not only absence of illness, but also a sensitivity to societal and cultural influences. CHOs may also be approved to assume program or catchment-based service responsibilities by offering specified health services to the general population.

Basically, the process we went through is that we set up a number of committees to look at the existing health care system in our area. We had about 10 different committees. We've had input over the years from over 500 public members, over 150 different providers who represented 24 different agencies, primarily funded through the Ministry of Health, some of them through the Ministry of Community and Social Services and other sources. What we managed to find after this fairly intensive review of health care delivery systems in our area was the fact that we have excess morbidity and mortality in a number of areas and we have three major premature causes of death in our area, all of which are preventable.

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On the other side of the equation, we spend 87% of our resources treating the ill; we only spend about 12% on community care and we spend about 1% on health education. So it showed the real need for some fairly major reforms to the way in which we deliver health care in our area. We're to the point now where hopefully within the next 12 months we will be implementing a plan that will see the CHO take responsibility for making some of the tough decisions in our area and being held accountable for the health care delivery system for the catchment area.

The CHO will work on a per capita basis and will be getting funds from the ministry. The formula's being negotiated now. We will take responsibility for all the health care services. We see it as an opportunity to really change the way in which we deliver health care.

Some of the fundamental priorities or structures of our organization are as follows. It's a majority public board. We'll have a 17-member board, nine of whom are public members, and eight providers. We see some of our major initiatives as an integrated information system, service coordination and delivery of services, much the same way as in the long-term care redirection; several of the same goals, such as continuum of care, the coordination of services, a single access point for our catchment area of population, cost-effectiveness and quality assurance.

Obviously, the reason Bill 101 is important to us is that the things the long-term care redirection is trying to achieve for the elderly and disabled population, we're trying to achieve for our entire catchment area population. Throughout the planning process, we've had, as I said, a number of sessions that have spanned three and a half years. We've had a lot of input, not just from health providers; they've been very, very involved as well, the mental health association, family and children's services through Comsoc, and the long-term care office has been

very involved in some of our planning sessions, so we feel we have a pretty good handle on what has to happen in our area.

That's why—I hope it's not presumptuous—we had hoped to see the CHO as one of the implementers of the long-term care redirection for our catchment area. We think this is advisable for two reasons. One is that for the CHO to work, we have to be able to coordinate all services. The second is the fact that we'll have the infrastructure that will be able to do it.

That's the rationale for why we want to be involved. On the other side, a few of the things that are of concern with Bill 101—and you've heard them since I've been here this midafternoon—are that the rules, regulations and compliance aspects of Bill 101 may not provide the necessary flexibility we need at the local level to make sure the most efficient care takes place at the local level.

There are two views of the way this can be done. One is that you set up strict criteria and controls to regulate and set the standards or, two, you allow local authorities to take accountability and make decisions using public boards, feedback processes, evaluation mechanisms and things like that. It's got to kind of be one or the other. The government often says it wants to have public accountability, but I don't think the legislation fully supports that in the governance model it's putting forward.

I mentioned that my presentation would be relatively short. Just in summary, the Rainy Lake Health Studies Program applauds the very real attempts being made to reform the health care delivery system. As another agent of change, we are all too familiar with the inertia that the status quo has. While reform was an option during earlier years, it has become an imperative in order for the system to survive. The key will be to implement changes in as complementary a manner as possible in order that all reforms will be effective individually, and collectively as well.

I will just close with a quote of Machiavelli that I tend to think about too often, "He who undertakes change takes on a perilous challenge, for from the outset he has for enemies all those for whom the status quo was profitable."

I applaud you on what you're trying to do, and good luck.

The Chair: We thank you for the literary reference.

Mr Jackson: It's relevant to politicians.

The Chair: Also, I think it's fair to say this is the first time we've really had a brief that's focused so specifically on the CHO concept, so we thank you for that. We'll begin with the former, former Minister of Health, Ms Caplan; sorry, former, former, former.

Mrs Caplan: That's right.

Your presentation makes a couple of very good points. In your view, Bill 101 as it stands right now excludes the participation of a CHO.

Mr Murray: No, that's not clearly defined. We're still waiting to find out exactly how it is. There are some discussions. I think in-home services have been defined or have been alluded to in some of the information we have gotten from the CHO program. I'm not familiar with the other issues.

Mrs Caplan: Would you be more comfortable if there was an explicit inclusion in this legislation that enabled or permitted CHOs to be the deliverer of long-term care, provided one was established in a specific region?

Mr Murray: I think we'd look very positively on that, yes.

Mrs Caplan: That's the answer to question number one.

Second, as part of the overall approach of the CHO, you have built in, in your standards, an obligation to evaluate on the basis of your health outcome and to give that information to your members. That's part of the public accountability that's built into the CHO. You've talked about better governance models that would lead to more flexibility and still have the public accountability for quality assurance or mandating, if you would, a continuous improvement program without being specific as to the criteria.

If that were the case, would you be comfortable with an amendment to this legislation that said quite specifically that it was the responsibility of the government to establish a public accountability framework for quality assurance or continuous improvement which would it then be the responsibility of the board to report back to the ministry as opposed to the prescriptive rules and standards this legislation contains? Have I said that clearly?

Mr Murray: Yes. I think you're alluding to how prescriptive it should be versus whether it should be broader criteria that are put forward and let the local communities decide how best to set up an evaluation system to measure the quality of the programs being delivered.

Mrs Caplan: In other words, do you think this legislation could be amended to require the kind of quality assurance program or total quality management program without being prescriptive as to what the standards were, provided the governance took responsibility for reporting that to the ministry or the population?

Mr Murray: Yes. I think obviously the government has to have some way of guaranteeing that it does take place, but we see that as being a function of the local authority.

Mrs Caplan: That's pretty much what the CHO is doing, is it not?

Mr Murray: Yes.

Mrs Caplan: So that would be compatible with—

Mr Murray: Yes. We're looking at the evaluation mechanisms being used in all aspects of health care delivery.

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Mrs Caplan: How soon do you expect to be up and going?

Mr Murray: Within 12 months. Actually, we're working on some projects now that are almost operational in nature. For those of you who aren't familiar with the north, certain problems crop up in this area: access to issues like CAT scans, physician recruitment and things like that. We just lost a long-standing, solo physician in a small community, and we think that the CHO program is going to be able to help recruit a new one.

The Chair: Can I just ask, following up on Ms Caplan's questions on the CHO: You would like to be designated as sort of the long-term care body for the west end of Rainy River, but are you going forward with the CHO regardless?

Mr Murray: Yes. The CHO looks at the entire range of services.

The Chair: Just help me, again from ignorance, you note in your brief that you are one of six who are looking at the CHO model. Do I understand that as yet there is no recognized CHO in the province?

Mr Murray: There are none operational yet.

The Chair: Okay. Your reference to 12 months is when you might hear whether you'll be recognized and be able to set yourself up?

Mr Murray: No. I think we will get, hopefully, the go-ahead to move towards implementing within the next 30 to 60 days and we expect a pre-opening phase of 9 to 12 months.

The Chair: Just a final point. Would you be the first of the six or do you think that there will be several that will go forward?

Mr Murray: We'll be the first or second, I would imagine.

Mrs Caplan: Just one supplementary. In order to accomplish this, you'd have to be designated as the CMSO. Is that correct?

Mr Murray: Yes.

Mrs Caplan: You'd have to take that function in this legislation?

Mr Murray: Right.

Mrs Caplan: So the amendment would have to permit a comprehensive health organization, called CHO, to be designated the CMSO for the purpose of this legislation?

Mr Murray: Right.

Mr Wessenger: Thank you for your enlightening on the question of CHO; it's something I haven't really had too much briefing on. Presently, in your area, do you have a placement coordination agency?

Mr Murray: I don't think there's a specific agency. There's a home for the aged. I think most of it takes place in an informal way.

Mr Wessenger: Okay, so you don't have that as one of the aspects. What about the delivery of home care? Who would be delivering that?

Mr Murray: That will definitely be the responsibility of the CHO. That's already worked out within the ministry as one of the transfer mechanisms between the home care division and the CHO program.

Mr Wessenger: So it has already been determined that you will have the home care?

Mr Murray: Right.

Mr Wessenger: So if the home care is to be responsible for the placement coordinating function, then of course that would solve your problem, right?

Mr Murray: To a certain degree. We're going to be contracting with the different providers. We want to make sure that the maximum achievable coordination conceivably takes place.

Mr Wessenger: You'd like to evolve to include the function of the multiple-service agency then.

Mr Murray: Yes.

Mr Wessenger: That would be what your goal would be.

Mr Murray: That's right.

Mr Hope: I just happened to notice you've only got certain ones indicated. I know there's one in Kent county, which I notice is missing in your proposal of CHO, which is doing the comprehensive study in the communities and looks at recreation and the whole context. I noticed you don't have it in your presentation.

Mr Murray: Which one is that?

Mr Hope: In Kent county. They have a CHO that's doing the study right now. I was looking at your media release, which says—

Mr Jackson: You're off by one consonant, Mr Hope.

Mr Hope: The development of the concept, with the local discussion groups—

Mr Murray: Yes.

Mr Hope: They are going on right now in the phase in Kent county. I'm just wondering, is that not part of this organization?

Mr Murray: I don't think so.

Mr Jackson: One fewer consonant, Mr Hope; it's a different organization. I will brief you another time.

Mr Hope: They're using the same word, "comprehensive," and that's why I'm asking you the question. I was verifying that the communication you're sending out to the general public is exactly what they are doing, and that's what I'm just wondering. You're using—

Mrs Caplan: Not exactly.

Mr Hope: I'm asking the gentleman. Just quiet down for a second. Relax. We're getting near the end of the day.

The Chair: Order. We're at the end of a long day. Let's remain full of peace and joy and hope.

Mr Hope: It's just that you're using the comprehensive health organization title. I was just reading through this, because I noticed in your presentation at the beginning about when you're talking about how the CHO develops. Is it the same way they're doing it in our community as to the promotion of the media and getting out and reaching out and finding out what's in all the communities and what people need as far as health care is concerned?

Mr Murray: The two appendices you have are right from the Ministry of Health's CHO program.

Mr Hope: Right. The last one where you're doing the CHO program question and answer for media and the general public?

Mr Murray: Right.

Mrs Caplan: That's from the ministry.

Mr Murray: That's from the Ministry of Health.

Mr Hope: That's the program that you're doing.

Mrs Caplan: No, Randy, that's from the Ministry of Health. Your government put that out.

Mr Hope: Okay, but I'm asking because it's in the context of a package. The CHO organization they've got—I'm asking, is it the same?

Mr Murray: The only CHO sites that I'm familiar with—

Mr Hope: Are those sites that you have in here?

Mr Murray: They are listed there, yes.

Mr Hope: So these are the only ones that belong to your organization.

Mr Murray: Right.

Mr Hope: So those other organizations that are calling themselves CHOs are not part of your provincial organization. I take it it's going to be a provincial organization.

Mr Murray: Yes. I'm not familiar with any other organizations. We'd love to have them as members, though.

The Chair: It could be they're CHCs, which is another form of organization.

Mr Hope: Why I'm asking the question is because I'm hearing the same thing from my community around the CHOs. They call themselves CHOs. There is a little difference in communication here in what they're telling me and what I'm hearing today. That's why I needed some clarification. Is it just a misprint that the group wasn't on here, or are they a separate identity?

Mr Murray: They must be a separate identity.

Mr Hope: Okay. That's what I needed to know, because they're coming with a different viewpoint.

The Chair: We can check that out, but there is another grouping of CHCs and it may be they fall into that. Mr Jackson, last joyful question, please.

Mr Jackson: Two very brief questions. Being familiar with the operation of CHOs, it strikes me that you present a unique opportunity and a unique challenge if you're to embrace all phases of health delivery. You position yourself as a very powerful entity, brokering the complete care needs of a community, which is separate and distinct from the model we've been working with up to now, which talks about CMSO, I think it is, which would deal with the specific care needs in a given region for a long-term care patient and client.

Now this begs a whole lot of philosophical questions, but I guess one that springs to mind is that one of the fears is that long-term care patients are heavily into activation, maintenance, and you really can't talk about health promotion to the same extent, because these people are at the end of their spectrum. Yet your mandate is very heavily influenced by health promotion and prevention.

Is there not a fear of or has your board put its mind around maybe the philosophical pull that might occur between one large organization, with its new-found mandate, and sort of the unique focus that's required to reform long-term care properly? I'm not saying you can't do it. I'm just simply saying that it strikes me that there's a bit of tug there.

Mr Murray: Yes. I guess the question we put forward in contrast is, who should be doing it? Should the local community be doing it or should Toronto be doing it? I guess the feeling is that decisions should be made locally, and that's why the governance model is a majority of public members and will look at the issues of the local population.

We have a significant elderly population in our area. The township of Rainy River has one of the oldest populations in the province. They'll be heard; we don't have to worry about that. The elderly consume a tremendous amount of health care. It's really an acute system. They account for a tremendous amount.

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Mr Jackson: I understand that, but you're essentially becoming the sole gatekeeper here. That's a unique position. It's an exciting position, but it's also a unique position, compared to what we've been discussing up to this point. As the sole gatekeeper—and I don't really like that expression, but it really describes it essentially. If the funding envelope goes to your table and you have to divvy it up, you've become the sole gatekeeper.

The question I'm begging is, how do you make sure that your CHO is sensitive to that panel, the panel being the long-term care needs, when in fact there would be tremendous pressure on preventive or health promotion issues, because you now are taking from the same pot, as opposed to what will be in my jurisdiction, where those two types of planning and funding envelopes are kept separate from each other. I'm not saying you shouldn't do it. I'm not challenging you on that. I'm just saying, have you put your mind around the fact that you're the sole gatekeeper and that puts a tremendous power, and how do you protect the clients we're here dealing with in this legislation in that context?

Mr Murray: I think that's where the role of the governance model has to come in. It's fairly well developed. You talk about health promotion. We've know for 15 years that health promotion really has to be beefed up and we're up to 1.3% of the expenditures in our district on health promotion. It doesn't happen. Unless somebody comes along and makes some changes, it won't happen, and I think it's the same thing with the long-term care redirection. There have to be some movements made in that direction. They just won't happen naturally.

Mr Jackson: I respect that Mr Murray has a great distance to go tonight, but he may have been closer to the truth when he said he could have taken a full hour, because I think it does raise a series of questions. I appreciate your coming before the committee.

Mr Murray: Thank you very much.

Mrs Caplan: Perhaps I could be a little help in a short response. What Mr Murray was referring to when he talked about the governance was that the board, the governance of the comprehensive health organization, has responsibility for the health status of its population and has a commitment to outcomes evaluation. The quality assurance program is designed specifically to address the concern that Mr Jackson raised, is it not, Mr Murray?

Mr Murray: Yes, it is.

The Chair: Thank you very much for coming from Fort Frances and presenting what has been the last but another excellent brief that we've had all during the day. The committee is indebted to you and to everyone else from the Thunder Bay-Rainy River-Kenora-Fort Frances area. I hope I caught everybody.

Interjection: Nipigon.

The Chair: Nipigon. How could I forget that? Red Rock, Ignace. Where can I end? We appreciate your coming and providing us with the brief and with the answers to our questions.

Before the committee adjourns, I wonder if I might just publicly state on behalf of everyone our particular thanks to the people of Thunder Bay, not only those who came today. I think all members have been struck by the particularly high quality of the presentations and the number of areas that have been covered, and while it has been a long day, it has been a very good day, I think, in terms of information and insights.

I see some faces here at 9 o'clock in the evening who I think were there at 9 o'clock in the morning as well, so we know some people have really hung in. I think the fact that we've had so many people through here today, both listening to the presentations and also making presentations, demonstrates that this is a topic that is of real interest.

I think it's also fair to say that one of the things we've learned today is the strength people feel that they have in the placement system that you have developed here. I think that has been extremely interesting for the committee. On behalf of all the members I want to thank everyone who came forward.

I would also like to thank the staff of the committee, both those who've made sure that the mikes were on when they were supposed to be on, our interpreters at the back, Hansard, research, and of course the clerk and the staff of the ministry who have also been with us today. I think with that, tired but still standing, we will retreat.

Just one note: Our plane leaves tomorrow morning at 7:35. I'm advised by the clerk that it would really be terrific if a number of us got on the 6:30 shuttle bus.

Mr Jackson: The 6:30 shuttle bus? What do you want me to do, sweep out the plane?

The Chair: I'm merely commenting. My comment on that was that we are all over 18, and if somebody misses the plane, so be it.

Mr Jackson: You could hop the fence and be there in five minutes.

The Chair: That's right. On that happy note, the committee stands adjourned.

The committee adjourned at 2106.

STANDING COMMITTEE ON SOCIAL DEVELOPMENT

*__Chair / Président:__ Beer, Charles (York North/-Nord L)
__Vice-Chair / Vice-Président:__ Daigeler, Hans (Nepean L)
Drainville, Dennis (Victoria-Haliburton ND)
*Fawcett, Joan M. (Northumberland L)
Martin, Tony (Sault Ste Marie ND)
Mathyssen, Irene (Middlesex ND)
*O'Neill, Yvonne (Ottawa-Rideau L)
Owens, Stephen (Scarborough Centre ND)
*White, Drummond (Durham Centre ND)
Wilson, Gary (Kingston and The Islands/Kingston et Les Îles ND)
*Wilson, Jim (Simcoe West/-Ouest PC)
Witmer, Elizabeth (Waterloo North/-Nord PC)

*In attendance / présents

Substitutions present / Membres remplaçants présents:
Caplan, Elinor (Oriole L) for Mr Daigeler
Carter, Jenny (Peterborough ND) for Mrs Mathyssen
Hope, Randy R. (Chatham-Kent ND) for Mr Drainville
Jackson, Cameron (Burlington South/-Sud PC) for Mrs Witmer
Jamison, Norm (Norfolk ND) for Mr Gary Wilson
O'Connor, Larry (Durham-York ND) for Mr Owens
Wessenger, Paul (Simcoe Centre ND) for Mr Martin

Also taking part / Autres participants et participantes:
Czukar, Gail, legal counsel, Ministry of Health
McLeod, Lyn, (Fort William L)
Quirt, Geoffrey, acting executive director, joint long term care division, Ministry of Health and Ministry of Community and Social Services
Wessenger, Paul, parliamentary assistant to the Minister of Health

Clerk / Greffier: Arnott, Douglas

Staff / Personnel: Gardner, Dr Bob, assistant director, Legislative Research Service

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Second Intersession, 35th Parliament

Official Report of Debates (Hansard)

Tuesday 16 February 1993

Standing committee on social development

Long Term Care Statute Law Amendment Act, 1993

Assemblée législative de l'Ontario

Deuxième intersession, 35e législature

Journal des débats (Hansard)

Mardi 16 février 1993

Comité permanent des affaires sociales

Loi de 1993 modifiant des lois en ce qui concerne les soins de longue durée

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LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON SOCIAL DEVELOPMENT

Tuesday 16 February 1993

The committee met at 1420 in the Cleary International Centre, Windsor.

LONG TERM CARE STATUTE LAW AMENDMENT ACT, 1993

LOI DE 1993 MODIFIANT DES LOIS EN CE QUI CONCERNE LES SOINS DE LONGUE DURÉE

Consideration of Bill 101, An Act to amend certain Acts concerning Long Term Care / Loi modifiant certaines lois en ce qui concerne les soins de longue durée.

The Acting Chair (Mrs Joan M. Fawcett): I'd like to begin the hearings of the standing committee on social development this afternoon. We are here to listen to all of the submissions on Bill 101, An Act to amend certain Acts concerning Long Term Care.

I'd like to welcome everyone here this afternoon and thank you for coming. I'm very thankful that we arrived. I'm not the best flier in the world, especially in this weather, but anyway, we're here. Also, welcome to Mr Lessard, who has joined us this afternoon.

CONCERNED CITIZENS FOR ACCESS AND EQUALITY

The Acting Chair: If the first presenter, Mr Gervais, would make his way forward, I understand he is representing a group. I would remind the committee and the presenter that we would like to be able to question at the end; 15 minutes has been allotted, but I think we can be a little flexible. The third presenter is coming this evening rather than at 2:45.

Interjection: At 8:15 or 8 o'clock then?

The Acting Chair: At 8 o'clock. Welcome, Mr Gervais. Would you like to begin your presentation.

Mr Gord Gervais: I'd like to say good afternoon, ladies and gentlemen. I'm a member of Concerned Citizens for Access and Equality. Concerned Citizens for Access and Equality is a group of physically disabled adults who actively advocate for freedom and access to all areas of community life.

What we have in common is that we feel we should have the same rights and privileges other people enjoy; for example, the right to live in integrated housing with the availability of attendant care services. This is a right we feel all disabled people should have. However, many disabled people are forced to live in supportive housing because the degree of support we need is either not affordable or not available.

In making this submission, we bring our own diverse backgrounds and experiences as people with physical disabilities. We are pleased to have the opportunity to contribute to the development of long-term care in Ontario.

At the outset, we would like to comment that, generally, we support the redirection of long-term care in our province. We support a philosophy which will ensure that people control their own lives. We look forward to a long-term care system which supports and contributes to the independence and integrity of each individual and recognizes the uniqueness of individual needs.

Before discussing our recommendations for a model of long-term care, it is important to emphasize that while we support the NDP government's direction, we are concerned about the government's recognition of the needs of people like ourselves. We fall somewhere in the middle with regard to personal care. We do not need placement in a nursing home; however, we require more than homemaking services. We need attendant care services, which might include some homemaking services but also includes more extensive personal care. We want to have the choice to live in the community; however, we require long-term care in order to accomplish our goals. We are concerned that the redirection of long-term care does not address our needs with regard to attendant care.

Ministry direction: In Frances Lankin's address to the Legislature on November 26, 1992, she stated that Bill 101 will assist her ministry to achieve five major policy goals. We are particularly interested in the fifth policy goal: "to make direct payments to adults with disabilities so that they can purchase and manage their own services. This goal addresses the central importance to consumers of maximizing dignity, independence and control over their own lives." We assume that you hope to achieve this goal through amendments to part IV of the Ministry of Community and Social Services Act.

Our concerns: The following represent our collective concerns with regard to the redirection of long-term care for people who are physically disabled and as a result need to live in supportive housing. You will note that our concerns are primarily related to a lack of clarity with regard to the purchase and management of attendant care services.

As previously mentioned, we require more than homemaking. However, the level of care that we require has created a barrier to accessing housing outside of supportive housing. We do not have the option of moving into integrated housing in the community, although most of us would like to have that opportunity. We cannot afford to pay an attendant care worker and we cannot afford to be on a schedule of care that does not meet our needs. For example, personal care twice a day is not enough.

How are our needs for attendant care adequately addressed in the proposed redirection of long-term care in Ontario? How will we be able to integrate fully into the community if we do not have access to attendant care services which are affordable and available to us, regardless of the degree of our disability?

Currently, our attendant care is fully subsidized. How will the proposed amendments provide us with the money to purchase our own services, given that we are provided with the opportunity to integrate into the community? For example, we had the opportunity to move into a non-profit building, but we could not afford to pay for the level of attendant care that we needed.

In our present accommodation, attendant care is available to us at all times. However, we do not control the management of our care and the services received. How will the proposed redirection provide us with the opportunity to control our attendant care and thus have increased control of our lives? Who will define the circumstances under which money for services may be made available to an individual?

Components of an effective model of attendant care: We would like to see a model of attendant care which includes the following: (1) available and affordable for people with disabilities who fall between the cracks of homemaking needs and nursing needs; (2) takes into account individual needs with regard to frequency and degree of care needed; (3) is portable; (4) based on the employer-employee relationship—in other words, we hire our own attendant care worker and design the service; choice means control; (5) a 24-hour support-care system which could be integrated into accessible, community-based housing.

In summary, we urge the government, when finalizing the redirection of long-term care in our province, to include a review of attendant care services for people with disabilities. In addition, we are requesting clarification with regard to where the issue of attendant care needs is dealt with in the proposal for long-term care. Further, we ask that the government specifically address and distinguish attendant care as a separate and important service.

As well, we ask that the proposed changes include a statement with regard to not only "obtaining goods and services that the person requires as a result of a disability," but with regard to management of those services as well. Finally, we'd appreciate the opportunity for continued involvement in the implementation of the long-term care process as it relates to people with disabilities.

We know that this is a complex issue which involves financial considerations. At the same time, we must be given the choice to live where we want to live, regardless of our disability. We cannot do that without a commitment from the government to support our need for attendant care services, both financially and philosophically. Thank you.

The Acting Chair: Thank you very much for that. You've certainly raised a lot of questions. Now, with your permission, if we could ask you some questions?

Mr Gervais: Sure.

The Acting Chair: We'll begin today with Mr Hope.

Mr Randy R. Hope (Chatham-Kent): Thank you very much, Gord, for the presentation. As you're well aware, this is only one step of the long-term care reform.

Mr Gervais: Yes.

Mr Hope: Now we're directly funding you as an individual and letting you become the employer and establish what services you need. Some of the elements that you brought up that are—and I'm waiting for a copy of your presentation, because I was trying to follow at the same time and take notes.

Mr Gervais: We have quite a few submissions here.

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Mr Hope: Okay. It's important for us to get the viewpoints, because it's one thing just to announce what we're trying to do, but you have to put a framework, and I think what you were trying to explain to us today was to put a framework in place that would be understandable not only to the person you're dealing with, but also to yourself in making sure it's appropriate.

The other thing I wanted to bring to your attention, Gord, is that it is the minister's intention to make sure that we can expand and make sure that disability issues are brought forward in the long-term care. That expands on a number of groups that are somewhat excluded from the long-term care currently.

In March the paper will come out and I'm hoping that your group will be a part of the overall discussion that will take place once that paper is released in March, which will set the next stage. This is only one stage to straighten up a few areas, but then we'll move on and try to straighten up the other areas, and I'm hoping that your group and yourself will make a presentation to the committee.

I thank you for the comments today and I hope this is a stepping stone, and I believe I took it to be a stepping stone, but you still have a number of other concerns around supportive housing and independent living.

Mr Gervais: Yes.

Mrs Yvonne O'Neill (Ottawa-Rideau): Thank you so much, Mr Gervais, for coming. I think you bring a very different perspective, as do all presenters. We haven't heard a lot about attendant care in this particular set of hearings. Have you noticed changes in your attendant care in this last year? Are you part of the attendant care advisory committee, or could you say a little bit about that? A few people have suggested to us that attendant care should actually be written into this legislation. Maybe you would like to respond to some of those questions I have.

Mr Gervais: Right now, a lot of the funding is directed at making it possible for disabled individuals to stay in the home.

Mrs O'Neill: And some to go to work, of course.

Mr Gervais: A lot of that is being cut, I understand, too.

Mrs O'Neill: Have you personally noticed any cuts?

Mr Gervais: Personally, no, only what I've heard. What we'd like to see is to be able to get out integrated into the public and have our own support care services as well.

Mrs O'Neill: Are you saying then, Mr Gervais, that you would rather see or you're requesting that there be more of a commitment to a continuum of attendant care and that this be part of these directed fundings, that the attendant care worker would be directed by yourself?

Mr Gervais: That's right, yes.

Mrs O'Neill: Is there anything else you'd like to add about the attendant care, either of you?

Ms Sharon Lumsden: I'd just like to say what Gord said.

The Acting Chair: Excuse me. Could you identify yourself, please, just for the record?

Ms Lumsden: I'm Sharon Lumsden. I'm president of Concerned Citizens for Access and Equality. I'd like to say what Gord said. We'd like to have more charge of our attendant care. We'd like to see it implemented by the government in the long-term care. Currently, we live in a building where there are attendant care services provided, but we have no control over them.

Mrs O'Neill: The attendant care workers in the building.

Ms Lumsden: Yes. It's a 24-hour service, which is a very nice idea. We like it, but we can't manage and control our own attendant care. We don't have any hiring or firing policies. We're not allowed to have any decisions.

Mr Gervais: We don't have any input at all.

Ms Lumsden: Not any input. What we're looking for is to be able to move, have a choice to move around the city into any housing project we would like to with an attendant care as with us. It's what we call portable—or into another integrated housing where a group of us might want to live in the integrated part of the building where we would have onsite attendant care.

Mrs O'Neill: And you don't feel you can do that at the present time?

Ms Lumsden: No.

Mrs O'Neill: Thank you for clarifying that for me.

The Acting Chair: Mr Wilson?

Mr Jim Wilson (Simcoe West): Yes.

The Acting Chair: Excuse me; sorry. There's a comment here.

Ms Mary Medcalf: I'm Mary Medcalf, Legal Assistance of Windsor. I think I'll be meeting you next week again, Randy.

I want to respond to one thing you asked, and that is that I think this group feels very strongly that attendant care needs to be more clearly identified in the legislation as a special and unique service. You had asked that earlier, and I think there's a very strong consensus in the group that this was not something that was attended to adequately in the amendments.

Mr Hope: Could I put a supplementary and ask where you would see them put this?

Ms Medcalf: I'm sorry. I didn't hear the question.

Mr Hope: I'm asking for permission to make a supplementary. It's not my turn, though.

The Acting Chair: A short one.

Mr Hope: A short supplementary.

Mr Jim Wilson: In other words, he's stealing my question.

Mr Hope: Where would we put the changes we made in the MCSS act in order to clearly define that, because we just use labels like "obtain goods and services"?

Ms Medcalf: Yes, and I think there is the issue of obtaining the goods and services, also managing the goods and services, and as this group has indicated to you, they fall between the cracks. Bill 101 deals with nursing home care, homes for the aged, homemaking services and attendant care as a very specific type of care. So this group is saying, "Look, we live in supportive housing where attendant care is onsite, we do not have the same options to move out of this housing because of the level of care that we need, which happens to be attendant care; we don't need nursing care; we don't need homemaking services; we need sort of a combination of homemaking and attendant care," which they see as something very specific.

Mr Jim Wilson: Thank you for your presentation. I think it is useful to hear these points. We've had similar testimony before the committee and we've had others also explain to us that they're worried about the wording of a couple of clauses that are contained in Bill 101.

As you know, it says the minister "may" from time to time, out of money appropriated by the Legislature, make a grant. It isn't terribly strong language, and I'm wondering, if you're meeting with Mr Hope next week, you would take the opportunity now to maybe suggest some stronger language. I think that would be appropriate, particularly for the opposition parties in bringing forward amendments, if the government doesn't do that.

I really don't have any question other than to suggest that what's very often helpful for committee members is to actually see some language come from the groups themselves. I know your lawyer's with you.

Ms Medcalf: If I could respond to that, actually, I think that in the submission the group has indicated there are some questions about who will define when somebody should be given money for attendant care or homemaking services or nursing services or whatever, so under what circumstances, what degree of disability defines how much money will be given at any given time. I think we would support, certainly, a stronger presentation.

Mr Jim Wilson: I guess my worry is that while the government pays lipservice to the commitment, it's not firmly worded in the legislation, nor do I understand that many groups are given commitments that they're going to be part of the regulatory process either. Long after we leave your good city, we don't want to leave you with false hopes.

Ms Medcalf: I'll also clarify that I'm not a lawyer; I'm a social worker.

Mr Jim Wilson: Oh, I'm sorry.

Ms Medcalf: That's okay. I thought I'd clarify that.

Mr Jim Wilson: In a legal clinic or something like that.

Ms Medcalf: That's right.

Mr Jim Wilson: It's okay. We don't have much against lawyers.

Interjection: There has been a clarification offered here.

Mr Jim Wilson: The parliamentary assistant can clarify. He's a lawyer.

Mr Paul Wessenger (Simcoe Centre): I'm actually going to ask staff to clarify the question of the eligibility. It's a grey area.

Mr Geoffrey Quirt: I'm Geoff Quirt, acting executive director of the long-term care division. As you might be aware, we're now working with representatives of the community of people with disabilities to sort out just the questions you've raised about eligibility and the definition of "disability."

Our current thinking, subject to improvement through that process, is that a similar eligibility determination would be used for people who wish to manage their own care as would be used for clients who would be accessing our new in-home services program. Through that new in-home services program, we hope to be able to deliver attendant care outreach-level services through the existing home care program, and if someone was deemed eligible under those eligibility criteria and someone was in a position to manage his own care, then he would be given the equivalent funding that he would be eligible for under the normal program, and given permission to hire his own attendant and do his own training and direct his own care.

The Acting Chair: Thank you very much for appearing before the committee. Mr Wilson, you were finished?

Mr Jim Wilson: That's fine.

The Acting Chair: Thank you for coming today, and your group that supported you. We'll keep in touch.

Mr Gervais: Thanks for your time and for taking the time to listen to us. We'll leave the submissions with you.

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The Acting Chair: The next group is the Association of the Physically Handicapped Windsor-Essex County, if the representatives of that group could now come forward. I might take the time to point out that the ministry staff have now joined us and I thank them for being at the table.

Possibly I should mention that I am the acting chair today. The Chair who is normally in this seat, Charles Beer, had a very important meeting he had to attend, so I am in the chair today.

Mrs Elinor Caplan (Oriole): And a very fine Chair.

The Acting Chair: Thank you. Is there anyone present from the association of the physically handicapped?

WINDSOR/ESSEX COUNTY PLACEMENT COORDINATION SERVICE

The Acting Chair: It's my understanding that the Victorian Order of Nurses is present at this time and maybe, because we have a fairly tight schedule, we would ask that they come forward, if that would be all right.

Welcome to the committee. Perhaps you would identify yourself, please, for the record.

Mrs Margaret-Ann Prince: My name is Margaret-Ann Prince and I am the director of the Windsor/Essex County Placement Coordination Service. The Windsor/Essex County PCS is administered by the Victorian Order of Nurses, and as director of PCS, I welcome the opportunity to respond personally to the amendments in legislation known as Bill 101. The Ontario PCS association has also responded to the bill.

The amendments will streamline and amalgamate the current system for long-term care facility admissions. The intent to make long-term care equitable to all is positive, especially for those residents who have been considered as less desirable and denied access to the system. This would include the behavioural and management cases.

Bill 101 will also enable adults with physical disabilities to purchase and manage their own services, a move which will support their dignity and independence.

To ensure that the consumer is best served, there must be a centralized, independent and objective coordination service available which has the responsibility and the authority to assist consumers to obtain the most suitable placement or service according to their needs. This will also have to be a program with flexibility.

Our PCS program affirms a commitment to maintaining and improving upon our collaborative working arrangements with the management of long-term care facilities. We continue to recognize the rights of the client to choose, particularly when it pertains to specific religious, ethnic or cultural preferences.

Clients should not be admitted to facilities without considering all aspects of the placement and discussing with the facility representative any applicants whose needs may not be considered by the facility as appropriate for a current bed vacancy. They too should be able to appeal any decision that seems to contradict those rights before an admission occurs.

Eligibility criteria must be precise in order to be consistently applied throughout the province. Regulations authorizing admission to a long-term care facility must be equally precise. The immunity clause for placement coordination will offer little protection if such regulations are ambiguous.

Regulations regarding screening for infectious diseases such as tuberculosis, salmonella, hepatitis and HIV should be standardized. Regulations must specify what testing is required, when it is to be done, and who assumes the costs. Presently, in our area, the screening requests are not standardized.

Clarification is also needed regarding who can give consent on behalf of the consumer for application or admission into a facility, and under what circumstances. Regulations should specify how and under whose authority information can be transmitted between long-term care facilities and placement coordinators.

PCS recognizes that an appeal procedure to review a determination of ineligibility is essential to maintain our accountability. The presence of the placement coordinator at the appeal board, as well as the powers assigned to the board, are supported.

It is recommended that notice be given not only to the applicant but also to his care giver or next of kin.

I would like to share some other concerns as to Bill 101 affecting programs in Windsor-Essex county.

We support having all admissions to long-term care facilities via a placement coordinator. I trust that the existing PCS will be designated as the placement coordinator.

The statement in the documents is ambiguous, as it does not refer to the placement coordination service but rather to the coordinator, who will be appointed by the minister.

Although we have been able to refer to three respite beds in our area—two in the city and one in the county—it is essential that all facilities be mandated to accommodate short-stay admissions. If equal access is to be maintained, short-stay respite beds must not be used as a way of securing an indirect admission to a long-term care facility. I would hope for a different method of funding than what is presently in use in order to enable clients of limited financial means to have access to these beds.

Downsizing of some acute-care beds in our area is inevitable. Many heavier-care patients occupy these beds at present. Nursing homes will only receive these clients when the funding for level of care is in place. In order to transfer these clients locally, some facilities will have to update their physical accommodation. Also, staff will require in-service education in order to acquire the skills for the specific treatments required for this client group. If the funding dollars are not flowed in a timely way, none of these changes will occur and there will be a tremendous backlog of frail elderly still in hospital with no appropriate place to go. Planning and education should begin before any additional acute-care beds are downsized.

In reference to the appeal mechanism, it is not specified as to whether anyone else can initiate an appeal on behalf of the client and who would comprise the membership of the appeal board.

If quality assurance plans are to be monitored, this implies provincial standards that would address a wide variety of expectations. Those standards could and should be the first step towards accreditation.

Because Windsor-Essex has several facilities that house both retirement home and nursing home clients, it is a concern that the bill has no guidelines for internal transfers within a facility to a special care unit or from a retirement section into a nursing home bed. There is the possibility of preferential consideration being given to in-house residents, to the detriment of community or hospital clients. This process needs to be addressed.

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Presently, the amendments to legislation confirm the essential function provided by the placement coordination services. It is expected that where population warrants, there will continue to be programs known as placement coordination services.

With the authority given to the placement coordinator, there will be reliable and accurate statistics on bed usage and bed requirements throughout the province, as well as standardization of the care requirements of consumers admitted to long-term care.

To conclude, with the foregoing questions addressed, Bill 101 ensures that consumers and their families will have a simplified, objective and equitable process to access long-term care. My colleagues and I look forward to its implementation.

At this point I would be pleased to receive any questions.

The Acting Chair: Thank you very much, and I thank you for your concise brief to allow for questions. We'll begin the questioning with Ms O'Neill.

Mrs O'Neill: Thank you very much, Ms Prince. I'd like to begin the questions by asking the parliamentary assistant and/or ministry officials whether we got a reading on this placement coordinator service, because that question came up in Thunder Bay yesterday. We asked for an interpretation whether the present and existing coordinator services that appear in many forms across the province are going to be grandfathered or considered as the placement coordinator. Have we got any answer to that yet?

Mr Wessenger: Yes, the answer is that it will be designated as a placement coordinating service under the act. Then of course it will be extended to other areas of the province.

Mrs O'Neill: I'm glad to have that on the record, because I think a lot of people are very interested in that. They have built systems over the years and many confidences have been placed.

You have brought forward two things which I think are important and you've highlighted them. You seem to have a fear about the capital needs that would flow from this Bill 101. You also seem to be expressing some concern about professional development. Do you feel that the bill is not clear enough on these issues? Would you like to say a little bit more about how you think the bill should reinforce those, as you see, necessary needs that are going to arise out of its implementation?

Mrs Prince: I think the bill has given a very strong degree of authority to the placement coordinator to help with the placement coordination of these persons. From our standpoint, what we're seeing is that if the funding isn't on schedule—and there have been so many delays—and people have to start planning now to meet the time when the funding supposedly will be brought into the system, people are waiting in active care beds and won't be able to access the system, even though we supposedly have authority to coordinate that, because the care givers in the facilities will perhaps not have been updated at that point in time, because they're going to be getting a different calibre of client who needs a much more extensive type of treatment. It's not just going to be the frail elderly who are going there to be maintained.

Mrs O'Neill: Do you think there'll be a need for provincial support for that kind of professional development?

Mrs Prince: Yes.

Mrs O'Neill: Did you want to say a little more about the capital needs that you see arising?

Mrs Prince: In reference to?

Mrs O'Neill: You mentioned that you felt that there would be many structural changes that would be needed.

Mrs Prince: Yes, the other entity being that some of our long-term care facilities are not going to be able to physically accommodate the people who are being referred to them. Because of their age and the manner in which they were built years ago, they're not going to be able to take certain people who, say, need a suction machine, or

there isn't going to be the physical space. That's just a question. It's a concern and something we're dealing with all the time.

Mrs O'Neill: Thank you for placing those with us.

Mr Jim Wilson: Thank you very much for your presentation. I would suggest that you get in writing, from the parliamentary assistant or better still the minister, the fact that your existing PCS system will be incorporated into what's envisioned in Bill 101, because if that were the case, why wouldn't the government simply write that into legislation? That's something we'll be pursuing.

Mr Drummond White (Durham Centre): She has it on Hansard.

Mr Jim Wilson: If Hansard, in other areas like advocacy and consent to treatment, is of any help. You can't bring Hansard to the bank. We've proven that in past legislation that this government's passed. We will pursue that.

In your statement here you said, "I hope for a different method of funding than what is presently in use, in order to enable clients of limited financial means to have access to these beds." Could you expand on that.

Mrs Prince: Recently, there has been a charge initiated per day for perhaps a week or a two-week stay. Previously, these costs were covered under a health card, an OHIP card. Now with the cost, we find that people who really do need the services provided are cancelling their commitment, due to the cost.

Another factor is that the Ministry of Health has never been able to fund respite care beds, and the clients themselves cannot afford to pick up the tab of the copayment plus the ministry's payment to utilize a bed in the nursing home. When we have vacant nursing home beds on an ongoing basis, we think that perhaps that's an avenue that could be addressed.

Mr Jim Wilson: For the record, can you tell us what those user fees or copayments are?

Mrs Prince: Approximately $40 a day.

Mr Jim Wilson: Which is an awful lot of money.

Mrs Prince: It is, and we're talking about the average family that has been maintaining this client at home generally for a very long period.

Mr Jim Wilson: Secondly, if I may, you go on in point 3 on page 3 to point out the need for some capital improvement or that there may be a need for capital improvement in order to update the physical accommodation. Can you give the committee an overview, in your opinion, of how much work has to be done in the Windsor-Essex area?

Mrs Prince: I couldn't speak for that sector, I'm sorry.

Mr Jim Wilson: Okay, but you're aware that there's certainly a need there?

Mrs Prince: Yes.

Mr Jim Wilson: There certainly is a need; there's a backlog of literally hundreds of nursing homes that will have to be brought up to standard. I want to ask you one general question, if you don't mind. I know locally there's been a lot of discussion about hospitals closing and the possible closure and amalgamation of hospitals. In my area of the province, which is more over towards the Collingwood and Wasaga Beach area, I find that a lot of seniors are quite scared about long-term care reform. Perhaps it's because it hasn't been explained as well as it might have been, or perhaps it's because it's being done in such a piecemeal fashion that we don't have the whole picture. Is there worry among seniors in the area that there won't be the hospital beds and that we're not seeing the shift of resources into community-based care?

Mrs Prince: I think they have a genuine concern in terms of the cutback, the downsizing on beds. First of all, they don't understand why the system has to be like that. They have difficulty not being able to access when they think they should be in a hospital bed and really they can be maintained at home in the community.

Mr Jim Wilson: There's still very much the mentality out there and people still very much prefer institutional care or feel they should be in institutional care.

Mrs Prince: I think we have to really gear up our public education in terms of getting seniors educated now about all of these major changes. Another concern we have, and it may have been discussed in other centres you visited, is the fact that once the homes for the aged do not admit level 1 residential care, where do all these people go? Some of them have been on a waiting list already for seven or eight months, sometimes longer.

Mr Jim Wilson: Exactly.

Mrs Prince: Then D-Day is going to come, when they're told, "You can't access the system." It would be enlightening for us to have some idea of when that announcement is going to be made, when they will not be admitting this level, because then, in fairness to those families, they could be directed to another source of facility support.

Mr Jim Wilson: Actually, I very much appreciate you saying that.

The Acting Chair: Thank you. We have to move on.

Mr Jim Wilson: I just want to make a point on that, Chair.

The Acting Chair: Thirty seconds?

Mr Jim Wilson: Thirty seconds; I'm aware, and I think some committee members are aware of that, but what you've just told us has not been debated at this committee. In fact, some may find it new news that there is a group of seniors there which is going to be left out in the cold if we don't do something about it in the very near future.

The Acting Chair: Mr White and then Mr Wessenger.

Mr White: I want to thank you for your presentation. Our first presentation was from the Victorian Order of Nurses in Durham, which is Oshawa, where I come from. They did an excellent job and so did you.

Mrs Prince: Thank you.

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Mr White: There are a number of things that I particularly appreciated about your presentation. First of all, it's

very articulate; you have a lot of very specific points that you make.

Obviously, when we go to other communities where there aren't placement coordination services, people look at the legislation and say: "What is this? Some sort of a terrible central control from downtown Moscow or something that's going to be inflicted on our community?" But as in Thunder Bay, where we just came from, and here, I think that with the kind of professionalism your organization shows, that coordination will be of a great benefit to Windsor, especially as it's backed up by law.

I want to pick up on one detail, and that is around the family support clause. I'm a social worker, a family therapist by trade, so I'm kind of interested in this. I also have a mom who's kind of elderly.

Mrs Prince: We all do.

Mr White: You talked here at the bottom of page 2 about the issue of clarification being needed regarding who and under what circumstances a person is given consent to make decisions or to represent a consumer, and at the top of page 3, "that notice should be given not only to the applicant but also to his care giver or next of kin."

I would think that in a lot of these situations it's very difficult to determine, because you have an elderly person who's sometimes okay, sometimes not and probably performs best when he has someone directly there supporting him. How do you include that in your decision-making and in your consultation with that consumer, with that senior?

Mrs Prince: I guess I was referring to the document in terms of, if someone who was ineligible for admission to a particular facility, that the care giver or the next of kin had to be not only just a support for the person who isn't going to be able to be admitted to a particular facility, but it should not just leave the client independently.

Mr White: So just telling that individual consumer would be a way of avoiding dealing with the issue. It would be that sometimes you have someone who's a little on the infirm side, who may not realize the ramifications of this issue, may need the support of a daughter, son or friend or whoever to be there, and that should be addressed.

Mrs Prince: Their own support system.

Mr White: Yes. Could you give us some suggestions, perhaps in writing later, about how that could be dealt with to ensure that that individual's, that consumer's rights aren't abused?

Mrs Prince: Yes, I will.

Mr White: Thank you.

The Acting Chair: The parliamentary assistant, Mr Wessenger.

Mr Wessenger: Thank you very much for your presentation. I'm going to try to deal with some of your issues, and then one of them I'm going to refer to staff, because I think it would be useful to have some information that probably has not yet been presented to the committee by staff.

First of all, with respect to your concern with respect to screening for infectious diseases, the ministry is working on standards for that and they will be incorporated in regulations at a later date, so they will be standardized.

With respect to the matter of the internal transfers, of course in future, with the placement coordinating services, all those persons will have to go through your organization in order to be placed. So I think you will have control in determining the matter—

Mrs Prince: That will take care of itself down the road.

Mr Wessenger: —of eligibility and the question of priorities.

Placement coordination services will be extended across the province. But in the interim, until they're all in place, of course there'll be a need to have placement coordinators appointed initially, and probably initially some of the facilities themselves will do their own placement until the placement coordination services are in existence in that particular area.

The last item I'm going to turn over to ministry staff, and that's the question of respite care. I understand that respite care will be mandated, but there were other questions you raised, so I'll have that clarified.

Mr Quirt: Mrs Prince, you quite rightly pointed out that one of the problems in this system currently is that nursing homes are at a financial disadvantage if they wish to be in the respite care business, because we don't fund nursing homes directly; we ensure the clients who go in there. If a bed is left empty, that's lost revenue to the nursing home.

Under the new system, we'll be contracting with each facility, whether it's a home for the aged run by a charitable group, a municipality or a private nursing home, and we will establish a minimum occupancy expectation for each facility. By establishing an occupancy expectation that's lower than 100%, we will in effect allow beds to be left open for respite purposes in each facility.

If one particular facility seems to have a greater demand than another for respite services, its occupancy expectation would be again further lowered so more beds would be available to meet the needs of clients who might come in on an emergency basis or come in for planned respite while care givers have a vacation.

In addition, I'd point out that it's our intention to have a user fee for respite care that's lower than the normal accommodation fee, in recognition of the lifestyle costs a care giver or a spouse may have in the community.

Mrs Prince: That's great news. We welcome that.

The Acting Chair: We're very grateful.

Mr Jim Wilson: Chair, before moving on to the next witness, I could just ask staff a question.

The Acting Chair: All right.

Thank you very much for appearing today. Some of the things you brought up haven't been brought before this committee before and we appreciate that.

I will ask once again whether the association of the physically handicapped is here. If not, then we'll move to Para-Med Health Services. Is there a representative from that group? Thank you. If you would make your way forward.

Mr Jim Wilson: Chair, could I just ask a question following up what Mr Quirt just told the committee? I'd just like to ask a question of clarification on that.

The Acting Chair: Yes.

Mr Jim Wilson: Mr Quirt, I was just wondering, what's the incentive for the nursing home, for example, if you're going to have a lower occupation expectancy but you're going to pay them at the 100% level? The incentive there to ensure that they do provide some respite care services is the user fee, or is there another incentive? My fear would be the obvious question. They might just leave the beds empty.

Mr Quirt: I don't think an incentive is particularly necessary, because most nursing home operators would wish to respond to the community need as they saw it for respite care in their community. Right now there's a disincentive for them to leave beds empty for that purpose. We feel by removing that disincentive and allowing operators of facilities, whether private sector nursing homes or municipal homes or charitable homes, to respond to a community need, they'll be quite willing and able to do that. There will be no disincentive to the facility with respect to a reduced consumer payment for that respite service either.

Mr Jim Wilson: Well, that's one way of putting it, there'll be no disincentive, but if you're running a pretty slim—

The Acting Chair: Mr Wilson, I think possibly we could discuss this at the very end and move on to the next presenters and not keep them waiting.

Mr Jim Wilson: Sure, but it was new information to the committee.

The Acting Chair: I realize that, and that's why I suggested that possibly we could explore it further at the end when the presentations have been finished.

ONTARIO HOME HEALTH CARE PROVIDERS' ASSOCIATION

The Acting Chair: Welcome to the committee. You could identify yourselves, please, for the record.

Mrs Fran Scott: Thank you, Madam Chairperson. Thank you for agreeing to hear our presentation. I am Fran Scott, area manager with Para-Med Health Services for Windsor and Essex county. I would like to also introduce Margaret Goslin, who is branch manager for Comcare, Windsor and Essex county.

We are members of the Ontario Home Health Care Providers' Association, and I would like to give you a brief profile of our industry. Our members in this community operate through three offices of two member agencies. Close to half of publicly funded homemaking services are provided by our members. As well, publicly funded services on the average make up about half of our members' business, although it is much higher in several of our agencies, with some totally dependent on publicly funded home care.

Our agencies are Canadian-owned. We provide service at the same cost as the not-for-profit agencies. We employ approximately, for my particular agency, 300 health and support service workers in this community. Almost all of them are women. Many of them are visible minorities, and more than half of them work part-time in order to take advantage of flexible schedules to fit their families' needs. As well, most of management are women, and many entrepreneurial women are owners.

We have closely followed the government long-term care redirection. The central thrust in the redirection is to help people stay in their own homes longer through expanded community-based health care, rather than being cared for in a health care facility. We strongly support such a direction. Our experience has shown us how people benefit from care at home for as long as possible.

1510

Now that we have the first piece of legislation dealing with long-term care redirection in front of us, that thrust is confirmed in the draft legislation. Bill 101 would control entry to long-term care facilities by giving authority to placement coordinators to determine who gets into which long-term care facility. Consumers will be required to prove that they cannot get enough care or the right care in the community before they can be placed in a facility.

Controlling access to facility care is based on the premise that there will be more care in the community, but there are as yet no plans or funding in place to expand community-based care to the extent that will be necessary to make home care available as a true alternative to facility care.

We think the committee should take note that the Minister of Health has considered virtually eliminating commercial agencies from the provision of publicly funded home care. We were very surprised to learn that this was even being considered, because it is totally contradictory for the government to declare its aim to expand community-based care, where obviously home care plays a major role, while at the same time planning to severely limit the involvement of half the providers of home care services.

If the government wanted to enforce a not-for-profit preference by directing all new business to not-for-profit agencies, no legislation or regulations would be needed to force our members out of publicly funded home care. It could be done simply by not giving us any more business. This could force many of our member companies into failure and into bankruptcy.

Other impacts which would result from closing off opportunities for new publicly funded home care to the commercial agencies include, first of all, dislocation and loss of jobs at a time of high unemployment—job loss for those who can least afford it in fact.

Second is a loss of choice for consumers.

Third is a two-tier system of in-home health care, as in the past. For example, clients themselves or third-party payers like insurance companies could contract with commercial agencies to provide service to the same client served in other parts of the day by not-for-profit agencies. The clients end up with multiple workers, and the government's goal of minimal intrusion into clients' lives and homes is aborted.

Fourth is increased cost to the taxpayers, since the deficits of the not-for-profit agencies have historically been covered by the provincial government.

Fifth, the elimination of benchmarks in performance in the home care sector could well result in lower efficiency. On that last point, it may interest you to know that the commercial agencies' share of the market increased in recent years because we are flexible, responsive and efficient and have been able to meet service demands which the not-for-profit agencies could not; for example, providing service 24 hours a day, seven days a week, to ensure clients received care when they required it.

In many areas we have lived with the not-for-profit preference all along. It has in fact meant that our agencies received the second call. If the home care directors cannot obtain the service they need from the first call to the not-for-profit agency, they call us second. We can continue to live with this practice, but we can't continue to operate if we receive no calls at all.

The association believes that delivery of home care can be improved. We believe there should be more management of quality of the service and we favour standards for in-home care. We are working with our not-for-profit colleagues on developing proposals for province-wide standards which can be applied to all home care providers. We are also involved in other joint projects to improve in-home care. We are participating, along with other providers and unions, in the resource group on reimbursement convened by the government. We are also participating in the government project on the training of workers for our industry and for long-term care facilities.

With regard to standards, there is another section of Bill 101 on which we wish to comment. An amendment would allow the Ministry of Community and Social Services to provide payments directly to disabled persons who wished to self-manage their funding and attendant services. We recognize the change is aimed at assisting adults with disabilities to realize their ambition to live as independently as possible and we applaud that ambition. Nevertheless, the disabled person self-managing his or her own care should receive care which meets provincial standards and the province should know that its money is being used effectively. Workers who provide that care should be protected against loss of benefits like workers' compensation, unemployment insurance and Canada pension. Workers should continue to receive ongoing professional training, as they would if working for a not-for-profit or a commercial agency.

Clients like ventilator-dependent quadriplegics should know their care givers have the most up-to-date training possible. We urge the committee to recommend that the framework for self-managed care includes safeguards for both clients and workers.

The Ontario Home Health Care Providers' Association believes in a balanced home care system with a mix of both commercial agencies and not-for-profit agencies. We have consulted as many people as possible involved in policy development to try to understand why the government would want to limit our participation in publicly funded home care. Clients, particularly home care programs, have publicly expressed their support and desire for a pluralistic system. They have provided evidence to the Minister of Health of why a future long-term care system will require a balance.

We urge the committee to look at Bill 101 in the total context of long-term care redirection. If the thrust towards more community care is a good one, and we believe it is, then it is counterproductive and contradictory to remove key providers of community care just at a time when more, not less, home care is needed.

The not-for-profit agencies in the past have been unable to meet rapidly expanding need by themselves. The cost to the government of a system without the benchmarks that a pluralistic system brings would be high. The system would become more bureaucratic and less flexible and all of these factors would not be in the interests of the Ontario public. Thank you. We'd be pleased to answer any of your questions.

The Acting Chair: Thank you very much for your presentation. Mr Wilson.

Mr Jim Wilson: Thank you very much for your presentation. I just want to begin by saying that I think your fears that the private sector may be driven out of the business of providing community-based health care services to individuals are well-founded if one looks at the day care sector, where the government has spent almost $200 million driving the private sector out of day care, not creating one new space or one new subsidy, but simply getting rid of Mr and Mrs Smith's day care down the street and putting up a so-called not-for-profit day care next door.

So your fears are very well founded, even though I'm glad I have first crack at questioning here because, as you go around the table, the government will tell you that's crazy, they did the same thing in the day care sector and it turned out to be absolutely untrue.

1520

You point out that the eligibility criteria, as contained in the draft manual that's accompanying this legislation—my reading of that would be the same as yours, that it's fairly strict in that the onus is on the potential resident, or the consumer, to prove that he or she has no other option. Do you want to just comment on that because it's something that hasn't been dealt with at any length in this committee.

Mrs Scott: In my perspective from reading the document, I understand that the consumer will be required to go through a financial assessment to be placed in a facility. We're not objecting to that, but how that is going to be handled is our concern and whether or not the consumer will be given an option to stay in their home or to go into a facility. I believe that is our primary concern: Will they be given the choice?

Mr Jim Wilson: The government has closed—this is important because the government has closed 5,300 hospital beds since coming to office. Theoretically they're saving a lot of money on the institutional side.

Mrs Scott: Correct.

Mr Jim Wilson: Have you seen evidence locally that that money is being shifted into the vast improvement in community-based services that are going to be required to meet even the minimum standards of Bill 101? In other

areas of the province we've had testimony—we all read the papers from all different regions of the province—we've seen both for-profit and not-for-profit providers laid off in the community setting. So my worry, I think, is something you've tapped into, and that is, if the government is going to drive the private sector out and is not flowing additional dollars it's saving on this so-called deinstitutionalization dividend, then we may very well end up with a piece of legislation that is very difficult to put into place.

Those are all my questions and comments.

Ms Jenny Carter (Peterborough): There are just three points I'd like to raise. One is, I don't think anybody's been driven out here. I know the minister has said there's a preference for not-for-profit, but we are looking at a system which is going to expand probably quite rapidly and it seems to me there's going to be room for everybody for quite some time to come and then I think there will be special niches too. I don't think anybody's going to be driven out of business, certainly in the short run.

One thing I'd really like to comment on. You were talking about the disabled who are going to be funded to have their attendants directly and that the training of those people should be laid out. We have heard from potential employers of that kind, from disabled people hoping to be able to do that, and they do not want those people to be trained because they say they have been living with their own disability, whatever it is, for a long time, they know exactly how to manage whatever it is and they want to train that person themselves. I just wondered what your comment on that might be.

Mrs Scott: I agree that certain circumstances require the family member perhaps to include their training package with the health care employee. I believe the training is accessible through the community colleges for these private employees if they choose to go that route, although I believe also that there is concern that people will accept positions in a private manner who are not adequately trained.

Ms Carter: But what I'm saying is that these people see the help they need as being an everyday thing rather than health care, although it's a little more than most of us would require, and that they want to train that person themselves in the very specific way they themselves wish things to be done, rather than having somebody who's trained, whether it's in a community college or wherever else.

Also, you were talking about 24-hour access. It's my impression that the Victorian Order of Nurses and maybe other providers do, in fact, give that.

Mrs Scott: Yes, in many areas they do, and certainly in Essex county they do. Also, the other not-for-profit agency, the Red Cross, does provide 24-hour care seven days a week. We're not suggesting that in all areas this does not take place. I made reference that we were able to grow, because in the past they did not, at one point, provide 24-hour care seven days a week.

Ms Carter: We have to have that, I suppose.

Mr Wayne Lessard (Windsor-Walkerville): Mrs Scott and Mrs Goslin, I know we've met with respect to this issue in the past, and you know my position. I feel there's some room for the commercial sector in providing health care and I've expressed that opinion to the former minister, Ms Lankin.

Mr Wilson indicated in his questioning about the reallocation of resources. He alleged there are lots of beds all over the province which the provincial government's responsible for closing and that none of the savings are being reallocated, and he never gave you a chance to respond to that. I wonder whether you've seen some changes in the Windsor community resulting from the planning for the long-term care hospital replacement and following up on the reforms that we're proposing here, because it's my impression that Windsor has really been doing a lot of planning and has been in the forefront in the province as far as gearing up to these changes. I wonder if you can respond to that.

Mrs Marg Goslin: I do agree with what you're saying. The Windsor community and the Essex county community have actually been very fortunate in the programs that have been brought on board recently. We've had the quick response program, the early obstetrical discharge program, the integrated homemaking program, newly brought into Windsor and this has alleviated the situation considerably.

The one thing to keep in mind is that the number of hours that are able to be accessed are very limited. If you look at two hours a day, sometimes two hours a day are not enough to necessarily keep you in your home. That aspect is difficult, when there is the hours limit there, and I do realize there does need to be some limitation.

The Acting Chair: There was some clarification, Mr Wessenger?

Mr Wessenger: Yes. I'd like to thank you for your presentation. Just to clarify, long-term care is not a deinstitutionalized program at all. In fact, if you look at the additional moneys going into long-term care, you'll find over $200 million is going in to enhance care in the institutional side and the other $441 million is going into the community side. One of the examples of that, of course, under the proposal—you mentioned the two-hour limitation period. I understand under the new program, those hours will be added to. I think that is definitely an enhancement of the community care.

Mrs O'Neill: I have one short question. Some communities have noticed a change in the uptake of services such as yours by the municipal authorities, by the local councils. Have you noticed any change in this area or do you know of any in southwestern Ontario where there seem to be fewer requests from the municipal level for your services?

Mrs Scott: No.

Mrs O'Neill: Okay. That was my only question. Thanks.

Mrs Caplan: Are you members of the umbrella organization of private sector small business providers of home care services in the province?

Mrs Goslin: The Ontario Home Health Care Providers' Association, yes.

Mrs Caplan: Are you aware of or have you been informed of a meeting that was held between the leadership of your organization, a policy adviser from the Ministry of Health and a policy adviser from the Premier's office recently?

Mrs Scott: We were aware that they were attempting to have a meeting with the representatives.

Mrs Caplan: I know how difficult it was for that meeting to be finally set up, but I'm aware that the meeting was held recently. Notwithstanding Mr Lessard's assurances, I believe—and I wondering whether you've been told—that directly your organization was informed there was no room for private small business in the delivery of health and social services and that this was the ideology and policy of the NDP government. Are you aware of that?

Mrs Scott: No, I wasn't aware of that.

Mrs Goslin: I wasn't aware of that either.

1530

Mrs Caplan: If you hear that from your organization and would like to inform the committee, it would be helpful because the committee should hear that if that's the statement that was made to your organization. I was told that it was. We know there have been a number of anti-small-business initiatives taken by this government. I'm very aware of your concerns.

Interjection.

Mrs Caplan: The move on private sector child care is just one example.

Mr Hope: Elinor, let's put on the record exactly what the Liberals were trying to do with child care.

Mrs Caplan: Oh, good.

Mr Hope: Let's put it exactly on the record.

Mrs Caplan: I'm just putting the facts on the table, Mr Hope.

The Acting Chair: Order, please.

Mr Hope: Put facts on the table; don't put fear-mongering.

Mrs Caplan: The facts on the table are that it is the policy of your government—

Mr Jim Wilson: The people in this area deserve to be told the truth.

Mrs Caplan: Exactly.

The Acting Chair: Ms Caplan has the floor at the moment.

Mrs Caplan: Thank you, Madam Chair. These happen to be the facts. You've come here today to express concerns about the viability of your industry, which today is providing 41% of service in the province of Ontario in all of home care provision, and responding to a need. I think you explained very well the preference policy that has been in place for quite some time. I'm pleased that you did because the parliamentary assistant had some misconceptions about that.

Let me ask you, how were your staff? How have they been treated in the past around government initiatives formerly to improve wages and enhancements and rates and so forth compared to the non-profit service or the public service deliverers?

Mrs Goslin: It's been exactly the same; no difference.

Mrs Caplan: So the preference was in a purchasing policy?

Mrs Goslin: Yes.

Mrs Caplan: In the past it had not been in how you were treated according to government policy?

Mrs Goslin: No.

Mrs Caplan: Could you explain that for the parliamentary assistant and particularly Mr Hope? He didn't seem to understand that yesterday.

Mr Hope: I can understand quite clearly. I don't need you to ask the question.

Mrs Caplan: Let them explain.

Mr Jim Wilson: You guys never ask these questions.

The Acting Chair: Let the presenters respond, please.

Mrs Caplan: It's important to understand how the system works if you're looking at making significant reforms, Mr Hope, and it's important for the parliamentary assistant to hear this as well, since he was obviously misguided yesterday or not informed when he made certain statements that are on the record. We have experts here who can tell us how the system works in Windsor. I think we should give them the courtesy of listening to them.

The Acting Chair: I think that's an excellent suggestion. Could you respond, please.

Mrs Goslin: The example I can give you is that I've been with Comcare for over six years now, and the billing rate that Red Cross has received for the last six years has always been exactly the same as the billing rate that the commercial agencies have received. When the homemaker rate reform went into effect, we had the same policies we all had to abide by, which of course the commercial agencies did.

Mrs Caplan: Thank you very much for that explanation. The reason you're here today is that this is your opportunity, in the discussions of Bill 101 and as we look at overall reforms, to raise your concerns. This is the appropriate forum to do that.

We've been hearing a concern raised about this legislation that it will limit choice and flexibility. The concern on choice, I think, goes far beyond the services that your agency provides, but the flexibility of this legislation is one that's reflected. The reason your industry has grown in the way it has, has been because you've been flexible enough to respond to changing needs. Do you see this legislation or the government's policy in discriminating against private sector providers as ultimately limiting choice or being inflexible, and if so, how?

Mrs Goslin: Yes, we definitely do view it as a very inflexible system, because certainly if the consumer is going to want to purchase service, he's very limited as to what agencies, especially in Windsor at the present

time—it really is singular—could be accessed. If there is a problem from the consumer's point of view with purchasing service or if there's a problem with someone in management, then the consumer really has no choice because it would be a monopoly at the present time in Windsor if the commercial agencies did not function.

Mrs Caplan: Last question: If the government forces you out of business by not treating you the same as you have been treated in the past or not permitting your agencies to be called upon for government-funded services, what would happen to all of those people who purchase your services now, because they have no other place to purchase those services? I'm talking about the people who want more than the basic care the system provides.

Mrs Goslin: In the Windsor area, they'd have no choice but they'd all have to go to the not-for-profit agency, and at the present time we do not feel that the not-for-profit agency could give all the service to the Windsor and Essex community. So instead of having enhanced service, we would have far less service as a result of that, and we would end up with a lot of very unhappy elderly individuals, in our community anyway.

Mrs Caplan: What I've heard you say is that the government policy we understand is being proposed would result in Windsor as being an absolute cut in services, not only for services funded by the government but also for individuals who choose a greater level of service.

Mrs Goslin: That's correct.

Mrs Scott: It could also result in a two-tiered system whereby, as I explained, a person is receiving publicly funded home care for a portion of the hours per day and then, in order to enhance those services, needs to go to a commercial agency to provide the additional services. That would result in multiple care givers going into the homes to provide services, which is something that I believe we want to get away from.

I've had a perfect example just this week whereby I could explain to the committee that the government direction in the Department of Veterans Affairs program has changed its mandate and has allocated private funding to individual consumers to use for home care as they choose.

Mrs Caplan: Greater choice.

Mrs Scott: Yes. It has resulted in a situation with my agency whereby we are providing two hours of publicly funded home care through the government home care program to a client, and this person happens to be a veteran, so those services have been enhanced by two additional hours of services. In order for him to receive those two additional hours—it didn't happen in this scenario, because we chose to allow our employee to go in those two additional hours, but in many circumstances they may be required to employ a separate private person for those two additional hours for Veterans Affairs Canada,, because it is the consumer's choice to hire the employee that he chooses.

Mrs Caplan: So in this case, because of the flexibility of your service, you were able to accommodate that client's need.

Mrs Scott: That's correct. I don't believe it's something we would want to do on a regular basis, because the employee, who is considered our employee, for instance, for two hours of that day is fully covered under our liability insurance under Canada pension and under workers' comp, and for the additional two hours has no coverage whatsoever and no supervision.

Mrs Caplan: Good points.

The Acting Chair: You certainly have provided us with a little spirited exchange and I thank you very much for coming today and providing the information.

1540

NICK CARLAN

The Acting Chair: Our next presenter is Nick Carlan, if he would come forward, please. Welcome to the committee.

Mr Nick Carlan: Thank you, Madam Chairman and members of the committee. My name is Nick Carlan and I'm retired. I consider myself a senior activist, whatever that means, but the last time I was active was when Elinor Caplan was in town and we had that little parade at the—

Mrs Caplan: I remember it well.

Mr Carlan: —Liberal convention at the Heartbeat.

Mrs Caplan: I remember it well.

Mr Carlan: There's no more Heartbeat; they're all dead.

Just to talk in philosophical terms, I really enjoyed the previous speakers' very high-tech points of view they made, but I'd just like to talk as an ordinary person. By the way, my wife edited this speech, so if it doesn't come out right, you can blame her, and she lives at 11830 Riverside Drive.

Mr Jim Wilson: I think Mr Crosbie tried something like that earlier in the week.

Mr Carlan: That's not nice, is it, a sexist thing? I think there could be some physical fallout, eh?

Interjection.

Mr Carlan: I just hope that the health care system will serve all of us as ordinary citizens. Just because we reach the age of 65 or become disabled, we become categorized. I feel that growing old, and becoming disabled and dying young is part of living and I think we should all be treated equally, although different types of health care are needed. Hopefully, the ministry and the provincial government will accept us in the mainstream of living regardless of the fact that we're over 65. We're no different than the younger people in this country. Health care should be a matter of right and not a special privilege, regardless of the various cares we need.

We're very, very happy that the chronic care facility will now be built at the Windsor Western Hospital Centre after, it was reported in the Windsor Star, about 25 years in the making. We're very, very happy with that, because many seniors were housed in an old school, if you know, on Riverside Drive, by the Ford Motor coal pile, and it was surely not a place for seniors to have their last days. We're

very happy about that and, myself, I feel the government has fulfilled that commitment, and there's more to come.

My main point here today is that I feel that there's a new direction and that long-term planning—long-term care and long-term planning—is needed, but I think we have to be on top of it. I think the planning has to be constant and daily, and I believe we have to believe in our researchers, in our consultants and in our scientists so that, as our population grows and the changes come about, for instance in the area of AIDS, we should be prepared for that.

We should take health out of the political system. We shouldn't have political debates on health. This we should give to the scientists. The scientists should say to the ministry, "This is what we need and this is what you better put in place," and Mr Laughren here would tell them to get the money. This is very simply put. I don't think health care should be based on, say, politicians coming to town and patting the old people on the head and saying, "Don't worry, we're going to take care of you." I think we've got to take health care out of that sort of political arena and make it a very serious and sober effort.

Many people I've talked to have expressed the opinion that they feel like they're in the third row. We have the politicians and we have the doctors and the nurses, and then the consumer. We're in the back row trying to see what you fellows are doing, you know, what you're all about, and we don't seem to have the ear. I feel that there should be an avenue where we can talk about these things and you will listen and something will be done about it. We shouldn't maybe have to demonstrate down Riverside Drive any more.

That, I feel, is a very, very important point, that you people give us a chance to talk about what we need. If there's a shortcoming, it's one thing, but then if there are some improvements, we can suggest that you listen and you listen sincerely.

Again, I'm just reiterating that long-term health must be established by today's health planning. I agree, and I believe everyone agrees, that health care should not be abused. It's a real concern of the medical people to realize that the high cost of providing medical services—that day may be coming to an end. It just seems to me that that part of the budget is excessive. There are new demands on the health care system: AIDS and Alzheimer's disease. Hopefully, the curtailment of smoking will help us in curing, say, cancer.

With all these things put together, there are two questions that I put to you: Is health a privilege or is health a right? I think it's both. Thank you very much.

The Acting Chair: Thank you very much. It's good of you to come as a private citizen. We're interested in what everyone has to say. Would you be willing to answer some questions, if the committee has any?

Mr Carlan: Anything Elinor has to say.

The Acting Chair: Mr Lessard, we'll start with you, please.

Mr Lessard: Thank you very much, Mr Carlan. I'm glad to see that your wife had an opportunity to edit your remarks, because you certainly included a lot of material in there and covered a lot of ground. I'm glad that she kept you concise and to the point.

Just to emphasize, some of the changes that have been taking place in the delivery of health care and home care even in the last decade I think were exhibited in your reference to the chronic care hospital. As you know, we refer to it as the long-term care hospital now, not as the chronic care hospital. You said a few things about the history of that facility which are connected to the reforms that we're referring to here in this committee today. For the benefit of the committee members who may not be familiar with that, why don't you give some of the background from your perspective as to that facility?

Mr Carlan: The old facility, Riverview? The seniors were housed in the Riverview Hospital. It was formerly a school. I believe it would probably be 100 years old, with pipes hanging out. The service people are beautiful there.

Mr Lessard: That's something that has been in the planning for quite a number of years.

Mr Carlan: We have to take the people with us and leave that old building there, because you wouldn't describe it as a dump, but it was really pretty old, you know.

Mr Lessard: So I guess you're happy to see that the new facility is finally going to be built.

Mr Carlan: Yes, I am very happy for my friends.

Mrs O'Neill: Mr Carlan, you seem to have had some experience with long-term care.

Mr Carlan: Well, I'm probably a potential customer.

Mrs O'Neill: Have you had a chance to examine the bill that we're working on, Bill 101?

Mr Carlan: Yes. To tell you the truth, it's very complicated for myself.

Mrs O'Neill: Are there things that you would like to highlight for us that you feel could be simplified? Certainly I think most of the residents or people who will be affected are seniors, and we're all progressing towards that. I think it's important that seniors understand this bill. Could you say a little bit about what you think could be simplified or the guarantees? You were rather broad in suggesting—and I think your statement about health being a privilege and a right is one that we should remember, because in this country, that's very true.

1550

Mr Carlan: You see, when I come here to speak, probably it's a very selfish thing on my part, because I had to wait five months for my heart surgery. I just didn't feel that the ministry or the health department was doing right by me. It finally came through, but I didn't think that was necessary.

I'm not sure about the infighting in hospitals, but Windsor is a great town and we love it. We have 600,000 people in this area. We know that 600 have heart attacks and 300 are going to need heart care. They were doing nothing about that. It's time we moved on that one in particular.

Mrs O'Neill: Thank you for your input today. I think it's been helpful.

Mr Jim Wilson: I too appreciate your words of wisdom and the courage you have in coming forward and sharing your views with the committee. You talk about—I gather some frustration in your voice—how many seniors feel like they're in the third row behind politicians and the health care providers and the medical profession.

I sense that too in my own area of the province. People are very worried about the direction of long-term care, because we don't know the whole picture and exactly what the system is going to look like a few years down the road. This bill, as the government reminds us from time to time, is simply one piece in the puzzle.

But one important part of this piece in the puzzle is the government's commitment to transfer money to the nursing home and homes for the aged sector. It's to the tune of about $208 million and it's supposed to be new money. But $150 million of that $208 million is to be made up through increased user fees for individuals. I find most people have an opinion on user fees one way or the other. I was just wondering if you want to take the opportunity to tell the committee how you feel about this.

Mr Carlan: Are you talking about fees while you're in an institution or at home?

Mr Jim Wilson: Yes, while you're in the institution. There are increases in the accommodation. Seniors will be asked to pay for a portion of their accommodation costs, a little more than some of them are paying now.

Mr Carlan: I know my neighbour is benefiting from home care. The lady comes twice a week. She cooks for him. The VON comes in once a week and then Meals on Wheels comes twice a week. I know he pays for the two meals. All the rest, I take it, is paid through some fund.

Mr Jim Wilson: Are you aware that seniors now pay for a portion of their stay in nursing homes, for example, or homes for the aged?

Mr Carlan: Do I agree with that? If I had the money and if I wanted to be there—

Mr Jim Wilson: You wouldn't mind.

Mr Carlan: —I wouldn't mind paying whatever I could.

Mr Jim Wilson: I appreciate it. Thank you.

The Acting Chair: Thank you very much. I appreciate your coming. Our next presenter is Kay Kavanaugh.

Mr Carlan: She's not here.

The Acting Chair: She's not here yet.

Mr Carlan: Oh yes, she is.

The Acting Chair: While we're waiting for her to get herself assembled before the committee, maybe we could go back, if Mr Wilson wanted to pursue some of the questions that he was adamant to have answered.

Mr Jim Wilson: I was just trying from my own education curve to ascertain exactly how this works, because just from what I heard the impression I got was that if I were a nursing home and at a pretty slim profit margin and respite care did come at some—I may want to respond to the needs of that community as I believe owners of nursing homes, homes for the aged etc do. I use the word "incentives"—and I gather it's the wrong word—but why wouldn't I just leave those respite care beds empty rather than incur any cost if I'm in a tight profit situation or no-profit situation?

Mr Quirt: That's a good question. If in fact you came to the officials in our division and said that you wanted to be in the respite care business and we reduced your occupancy expectation and then in effect you weren't interested in delivering respite care and left the beds open, our compliance adviser would visit, find out that you haven't delivered any respite care and raise your occupancy expectation probably higher than it was in the first place.

Mr Jim Wilson: That's what I want to hear. You say you remove any disincentives. To me, that's kind of an incentive to provide that care when your intention was to provide that care. I understand the government is fully expecting you to live in that intention. Does that intention form part of the service agreement between the government and the home?

Mr Quirt: That's correct. It would be.

Mr Jim Wilson: And you would spell out its expected occupancy?

Mr Quirt: That's correct. After our staff and the officials from the nursing home or the home for the aged discussed what the demand was for respite care in that area and agreed upon a level of respite care, we'd hope the facility would provide it.

The Acting Chair: Thank you very much.

KAY KAVANAUGH

The Acting Chair: Would Kay Kavanaugh be ready to come forward at this time?

Mr Hope: Madam Chair, while she comes forward, I think it's important for the committee to know something about Mrs Kavanaugh. Mrs Kavanaugh is a Canada 125 medal recipient, the Charles Brooks award recipient in Windsor, and also she's received a provincial Volunteer of the Year award.

The Acting Chair: Well, our congratulations to you.

Mr Jim Wilson: We should be giving you our seats.

Mrs Kay Kavanaugh: No, not really. I've got enough on my plate now.

The Acting Chair: It's a privilege to have you here at the committee. Welcome, and thank you again for letting us in on that. Perhaps you would like to go ahead with your presentation at this time.

Mrs Kavanaugh: Yes, I will. I'd like to thank you for the invitation to come before you. This long-term care is a concern of mine as I'm also president of a retirees group. I feel very deeply about the conditions that people are going to be subject to, so I hope this presentation helps you to deliver and bring the kind of service we want here in Windsor.

Long-term care: Why change? The shift in demographics must be taken very seriously, because elderly people are high users of health care and support services. The present patterns of providing care are inappropriate and unattainable given our aging society. We must change the way

elderly people are served by setting up the infrastructure of community services.

Adults with physical disabilities: There are currently 25,000 to 40,000 persons with physical disabilities and only 10% of them currently receive publicly funded services. However, family members provide the bulk of the care and the estimate is that 50% of adults with physical disabilities will outlive their family care givers.

This group values control and independence, which presents a challenge to government, workers and agencies to make them more responsive to their unique needs.

The most pressing reason for reforming Ontario's long-term care system is to prepare for our aging population. We will experience an aging population growth by the year 2010 of approximately 68% in people 65 years of age and over.

The present patterns of providing care are inappropriate and unattainable given our aging society. We must conscientiously change the way we serve our elderly people by building up the infrastructure of community services as opposed to the enormous pressure to build costly beds.

Current problems are reliance on costly institutions and fragmentation of services and planning, uneven distribution of resources and training of workers to match changing consumer needs and standards. We also have changing consumer attitudes.

People are often in institutions because of lack of community services and support or simply because no one has taken the time to explore alternatives. The cost is simply prohibitive.

There are many examples of fragmented service: long-term care, health and social services currently delivered separately with poor coordination between them. There is no coherent provincial and regional planning. There now are multiple long-term programs, each with different access points, eligibility, fund-raising policies, and some even provide the same service as homemaking. Stacking of services from different programs and service agencies is often required and then this complicates service coordination unduly.

Some valuable programs and services are simply not available in many areas of this province. I would like to recommend the need for consumer autonomy and choice and the "one door to many services" approach.

1600

There is inequity province-wide in the availability of in-home services. Vast areas of the province do not have access to the expanded personal care and homemaking services made available with the introduction of this program. Not having an integrated homemaking program results in inappropriate use of more expensive services, such as nursing, and results in greater responsibility for family care givers. This means people who really need these services go without or enter long-term care facilities as the only option.

When describing community support services, it is important to highlight that over 10,000 volunteers are employed in supporting elderly people in their communities. Supportive housing is a critical service to expand throughout the province, as it is for many consumers the only alternative to living in an institution or being totally dependent on family care givers.

In the many areas not having placement coordination services, you will find inappropriate use of the limited number of long-term care beds, people who could have remained at home if they had assistance in exploring community alternatives. You will likely find disheartened consumers who face the task of finding the most appropriate facility.

One of the overriding problems we face is the money we spend to keep elderly people for extended periods of time in acute care hospital beds, and the overdependence on institutional services is a problem we face in redirecting the long-term service system. We need to correct this picture by allocating a greater proportion of new resources to building up community services and reallocating the money to long-term care.

It is important that residents be asked to contribute to their accommodation costs only. By that I mean for room and board and that assets will no longer be considered in the calculation of residents' fees. No one should be refused care because of an inability to pay. Those who have a limited ability to pay should pay at an affordable, reduced rate.

There should be direct payments to adults with disabilities so that they can purchase and manage their own services. This addresses the central importance to consumers of maximizing dignity, independence and control over their own limits.

I also ask that the Ontario government remain committed to the $647-million investment in long-term care. I also believe that services should be fully accessible, fully funded and provided by qualified health care professionals in public and non-profit settings.

I believe there are compelling reasons for the district health council to engage in a cautious reform of the health care system so that the services our community has had a legitimate right to expect are enhanced, not eroded or eliminated altogether.

I am concerned that the motivation behind the shift of health resources in the community sector is so that underpaid, inadequately trained home care workers would provide services at a lower cost than in the institutional sector, without challenging the real factors driving up the cost of health care: physicians and certain administrators in hospitals. Unless the district health council ensures otherwise, the ones who will pay for these cost savings are the consumers, who will receive lower-quality services, and the staff of these community agencies, who will be paid much lower than their counterparts in the institutional sector.

Crucial questions, such as what additional services could be provided by the hospitals, are not fully considered. For example, several hospitals in Ontario provide home care services and a wide array of outpatient services which would also be delivered in the Windsor area. One way to ensure quality home care services is to provide them out of hospitals. There are several hospitals-in-the-home programs, such as the one at Parry Sound, which should be examined before attempting to move home care services to community agencies, some of which may be commercial operations.

Why expand the fragmented network of community agencies currently providing home care services when hospitals have a proven record and already employ a large pool of qualified health care workers? I believe hospital board members must be held accountable to the community for their decisions. Presently, the governance of hospitals is medically driven and administratively manager-driven. What we desperately need is a sincere working partnership between all major players within our health care systems.

The question of how religious affiliation should impact on hospital governance structures, as well as the inclusion of district care givers on hospital boards, must be addressed as soon as possible.

I expect the Ministry of Health to prevent job losses by requiring hospitals to implement redeployment strategies, job retraining and realistic plans for early retirement.

It is crucial to take steps to avoid the possibility of patients falling through the cracks, as they did when psychiatric patients were deinstitutionalized in the early 1970s.

I believe that in order to prevent deterioration of the health care system, these recommendations should be implemented to protect health care workers, patients and the community at large:

(1) That before any layoffs are considered, the steering committee will ensure that every effort is used to eliminate all financial, non-human waste in the system;

(2) That any pressure by hospital administrators to coerce employees into concessions be stopped immediately;

(3) That for-profit health care, as seen in private labs, and all contracted services, such as Versa Services, Angus Co, Health Care Consultants etc, be eliminated;

(4) That an examination of the fee-for-service system be conducted to assist the impact of this payment method for doctors on local and provincial health care budgets;

(5) That recommendations of the provincial steering committee reviewing the Public Hospitals Act to centralize power and authority in the hands of the hospital and CEOs at the expense of the board of directors, clinical staff and other hospital staff be rejected;

(6) That all hospital budgets, salaries etc be disclosed fully to the public;

(7) That user fees not be introduced, but rather that accessible and affordable health care be emphasized;

(8) That the district health council's steering committee, in conjunction with the health council and the ministry, make health care institutions more accountable to the community they serve by advocating one elected board of directors for Essex county;

(9) That the district health council demand a moratorium on all major capital expenditures, such as purchasing equipment or repairs, or any other major expenditures by the area hospitals, as these may be intended to influence the current reconfiguration process.

An open, collaborative process must be maintained to enhance and serve the best health care system in the world.

I have serious reservations about many elements of the proposed health care reform, in particular the explicit anti-institutional bias. Many institutions have already started to downplay inpatient care in favour of outpatient services. Several hospitals in Ontario have also developed innovative home care programs.

Our community has made an enormous investment in the institutional sector, and it would be wrong to diminish its role in a restructured health care system. It makes more sense to transform institutions by making them more responsive to residents and front-line workers and to the communities they serve. Rather than limiting their parameters, hospitals should be expanding the range of services they provide. Services would improve through better coordination and programs could be offered along a full continuum of care. This would be more cost-effective and would also prevent the massive dislocation of trained health care workers implicit in the change process.

I think that it is incumbent on district health committees to proceed cautiously down the path of reform, and the health care workers and consumers must not shoulder the burden of these changes.

These are my thoughts. Thank you very much.

The Acting Chair: Thank you very much. One can certainly see why you have received your various awards. We begin the questioning with Mrs O'Neill.

Mrs O'Neill: Thank you, Mrs Kavanaugh. You have brought forward some very strong points towards the end of your brief, and I'm very pleased you presented them in point form. I think several of those either have already been brought forward by others or are in the works in other pieces of legislation. But it's true, many of these decisions have not been made, and I think they need to be highlighted in the whole backdrop of health care reform.

1610

I'd like you, if you could, to talk to your ninth point on page 6. I find it somewhat conflicting in that the bill we're studying, as far as we can see, is going to talk to people being classified according to their needs and placed in facilities according to their needs. Others have brought to us that this is going to involve capital expenditures. Certainly, if hospitals and acute care hospitals that don't seem to be economical and do not always meet the needs of some of the residents are going to be moved, other facilities will have to have capital expenditures.

I find it confusing that in a time when there seems to be a demand for better health care—equipment is certainly part of that—you are suggesting what I interpret as a freeze. Would you like to say a little more about that so I won't misunderstand if that's not what you mean?

Mrs Kavanaugh: You are talking about 9?

Mrs O'Neill: Yes, I am.

Mrs Kavanaugh: In doing my research, it has been brought to my attention that certain hospitals have taken a look at doing certain expenditures that would maybe enhance their hospital so that it wouldn't be one of the ones that's closed. That was my concern, that these things not happen at this moment. They probably need to happen, but not at this moment. I think it puts a different picture on each hospital if certain equipment and certain procedures or whatever are implemented, because I don't think that's what health care wants to look at. Let's go ahead with the plan and then let's implement what needs to be implemented,

not do purchasing and whatever just to enhance your chances of staying open.

Mrs O'Neill: You are suggesting then that the district health council have a very high profile in the planning process.

Mrs Kavanaugh: Absolutely.

Mrs O'Neill: And you would see them prioritizing the community needs through that process.

Mrs Kavanaugh: Absolutely.

Mrs O'Neill: Okay, that's clarified it quite considerably for me. Thank you very much.

Mr Jim Wilson: Thank you, Mrs Kavanaugh, for an excellent presentation. You raised a myriad of points and I think all of them are well taken by members of this committee. As Mrs O'Neill mentioned, we've heard some of them before, but I think you have a tremendous emphasis and a worry which is commendable on behalf of hospital workers for instance who have been laid off and do appear to be taking the brunt of the bed closures on their own shoulders.

Along that line, though with a different twist, in point 3, at the bottom of page 5, you talk about Versa Services, Angus Co and Health Care Consultants, that these contracted services be eliminated. I know what Versa does. What does Angus Co do for the hospital sector?

Mrs Kavanaugh: It's a supplier of hospital needs, things that have to go into a hospital to make it run.

Mr Jim Wilson: Implements.

Mrs Kavanaugh: Implements, I guess you'd call them, or instruments or whatever.

Mr Jim Wilson: Has there been a particular problem with these companies in this area?

Mrs Kavanaugh: In my research, they're saying that it shouldn't take place. When you're going to do a whole new system, there are capable people and capable companies that maybe do these jobs better than those I'm naming. I talk to many hospital people and this is what they tell me.

Mr Jim Wilson: You mention elsewhere in your brief that you believe there is a role for the private sector and that you're just singling out companies on this particular page that may have had a bad record or that local people don't feel very happy with.

Mrs Kavanaugh: That's right. Local people don't feel very happy with Versa Services. When I talk to some of the people whom I know, they're not satisfied with some of the meals that are produced at some of the hospitals. They feel the hospital could do a better job itself, maybe even more economically, because at Versa there is a profit margin there that has to be considered, and they seem to think that's the way it should go.

Mr Jim Wilson: I want to tackle that for a moment, because I see a lot of that in the local papers when I read about the Windsor area. Have you ever seen a study in your entire lifetime that shows the private sector can provide these services mentioned by these companies cheaper than government?

Mrs Kavanaugh: No, I haven't actually seen one, and I couldn't find any in the research.

Mr Jim Wilson: Would you be surprised if I told you that none exists?

Mrs Kavanaugh: No wonder I couldn't find it.

Mr Jim Wilson: That's true.

The last question is, the figure the Ontario Nurses' Association uses is that 2,800 nurses have been laid off. That's their numbers. The government and the opposition dicker over the numbers a bit. But do you think enough's being done for those laid-off workers?

Mrs Kavanaugh: Enough is not being done at this time, but I think with the change, if we are going to keep more people in their homes, then we're going to need more nursing in the homes. People need to be bathed and people need to have their medication regulated. There's a number of things that I think trained nurses will be able to do, so I think there could probably be some retraining along the Victorian Order of Nurses kind of training for these people to be picked up again and be part of the new health look. I think then the people who are going to receive that service are going to receive a higher quality of service than they would otherwise.

Mr Jim Wilson: Those people bring a wealth of experience.

Mrs Kavanaugh: They bring a wealth of experience, that's right, and to be a nurse, you're a certain kind of person, I think.

Mr Jim Wilson: Agreed.

Mrs Kavanaugh: I think there's a certain kind of loving care there that nurses bring to their patients, and I think these people should not be discarded and have to retrain to go into something that's really not—

Mr Jim Wilson: Not their chosen profession.

Mrs Kavanaugh: Yes, their chosen profession. I also feel that not only am I concerned about those people, but I'm also concerned about the people who are going to need that kind of care. If the nurses are not there, if they've gone on to something else, what do we do about that? Are people who are going to need that care going to get what they really need?

Mr Jim Wilson: I think the government's trying to help people who are laid off in the hospital sector to be retrained and put in the community sector.

Mrs Kavanaugh: That would be wonderful.

Mr Jim Wilson: The jury's out how effective that will be, but I think, to give the government some credit, there has been some money set aside for retraining. Unfortunately, our concern is that there may be an agenda, as you heard us talk about earlier, to drive some of the private sector out to create a space for the hospitalized workers, and I would sort of say that two wrongs don't make a right is kind of my way of looking at that.

Mrs Kavanaugh: That's right.

Mr Wessenger: I'd like to thank you very much for your presentation. You certainly seem to have covered a great number of the points in the whole health care field

and in particular with respect to long-term care and I certainly appreciate that.

Just one little comment I'd like to make: When you highlight the growth in the aging population we're going to have by the year 2010, I'd just like to add a figure that probably makes it even more challenging, and that is that by the year 2010 there'll be a 161% growth in people 80 years and over. I think that really shows the extent of the challenge.

Also, I was particularly interested in your comments about the need for much more coordination in the long-term care area. I don't know whether you're familiar with the proposals with respect to creating community multi-service agencies.

Mrs Kavanaugh: No, I haven't seen too much on that.

Mr Wessenger: That is one of the proposals that is out there with respect to attempting the coordination of all these programs.

Mrs Kavanaugh: That makes me feel good.

Mr Hope: Thank you, Mrs Kavanaugh. As usual, you're right on the nose with a lot of your stuff. You've done your research.

As I was indicating about the 125 medal you received, the Charles Brooks award you received and also the provincial Volunteer of the Year award—I forgot one—it's the Woman of the Year from the Women's Incentive Centre that you received also.

Mrs Kavanaugh: Yes.

Mr Hope: I wanted to make sure that is also on the record and appropriately shown.

Mrs Kavanaugh: Thank you.

1620

Mr Hope: One of the areas I want to touch on might create some communication back and forth across this table, but you know the unemployment rate that's currently existing in the city of Windsor, and around the casino. I live in Chatham, so we're all feeling the same effect. Most of it is an effect of the free trade agreement, and the North American free trade agreement coming on. A lot of younger people are leaving this community and going elsewhere for employment opportunity.

The numbers you have presented on your first page of your presentation, the percentage of age 65, is that the current effect that is happening with our young people leaving our communities, where the son or the daughter is no longer living in that community, so the dependency of family is leaving also, when you were looking at your calculation?

Mrs Kavanaugh: That isn't one of the things I found, but it's certainly a point. What I found was that the baby-boomers, as we hear all the time, are now going through the system and they will in these years. The effects of them going through the system is what we're talking about. Eventually, there will be a downsizing of people 65 and over, but right at this present time and up to that time, there will be a growing number of people just on their very own.

But the problem of care givers in the home—and since I'm Woman of the Year I need to say this—I think that if we allow it, women are again going to be the brunt of everything. They have to keep house, they have to have another job, they have to be a care giver. How much can they take? I think you're probably going to see a backlash and some women are going to say: "It's my family. I know it's my family. But I have a responsibility to my young family. I have to get my children into college. I have to work so that my children can enjoy the advantages that you and I had." I don't think it's so much the transient population as it is just a social impossibility for women to take that on.

Mr Hope: Okay. One of the areas I want to touch on is that you talked about streamlining and bringing people together, and I know you're involved in the Windsor area. Your name is well known to a lot of us who live in the area. But what I want to say is, how do we tear down the walls that are currently existing in those different organizations? With less provincial money, everybody's trying to fight for a little bit more. How do we then bring those groups together to say, "Look, things have to change; it's not the way it used to be; provincial revenues are down"? How do we get people to the table to do that?

Mrs Kavanaugh: I think first of all you would invite them to the table, then you lay your cards on the table and you explain to them: "This is the way it is and this is the way we're proposing to change it. If you are affected, we're sorry, but this is the way it is."

I think you just cannot go in through the back door, pussyfoot or whatever. Changes need to be made, things need to be done and there's a direct way to do them. I figure that when you do things the direct way, then people understand 100% that they have to change too.

The old ways have worked fairly well for us when there was a lot of money around and when we didn't have the number of elderly people we're now seeing. But these kinds of things have gone by the wayside, so I think we all have to be made to understand that we have to make changes. I think we're all reticent to make changes. You all say: "Why? This is working good." But it isn't really "working good" and I think they have to be told.

Mr Hope: I look forward to hearing your viewpoints come March when we release the other document on long-term care, because I know you, along with Nick and others who live in the Windsor community, will be putting their nose to the book. I look forward to listening to you.

Mrs Kavanaugh: Great. Thank you.

The Acting Chair: Thank you very much, Mrs Kavanaugh. It was good to have you here. Good wishes on all of your continued work.

Mrs Kavanaugh: I have to apologize for the typing. I am not a typist.

The Acting Chair: It was just fine. Thank you.

VICTORIAN ORDER OF NURSES, CHATHAM-KENT ONTARIO BRANCH

The Acting Chair: Next we have the Victorian Order of Nurses, Chatham division. Welcome. Come forward and take your seat, identify yourself and present your submission.

Mrs Lois Fallon: I'm Lois Fallon, the executive director of the VON in Chatham-Kent.

VON Chatham-Kent appreciates the opportunity to respond to the proposed legislative amendments known as Bill 101. Although many aspects of this bill more directly affect facilities such as nursing homes, charitable homes for the aged and municipal homes, the bill also affects programs and clients of VON Chatham-Kent, Ontario.

I do not intend to repeat information concerning VON that I understand you have heard provincially about the organization. I will restrict my comments to the impact as seen on our local branch.

VON Chatham-Kent administers three services: the visiting nursing service with several programs, placement coordination service, and a palliative care volunteer service.

The greatest impact of Bill 101 will be on the placement coordination service, or PCS, with a lesser possible impact on the visiting nursing service. The present role of PCS service and staff will change to embrace the responsibilities to determine eligibility for admission and to authorize admissions to facilities.

Support is given to the legislation that allows for an appeal process regarding ineligibility for admission; the access to information regarding services and consumer care plans; procedures for making complaints; a short stay accommodation requirement; and direct funding grants for persons with disabilities to assist in obtaining goods and services required as a result of that disability.

We do have some concerns about the legislation and they include: Although sections of the legislation are common and standardized, there are still separate but very similar acts. Chronic care facilities or beds are not addressed. Residents' councils are not required in all of the long-term care facilities. No opportunity for choice by the consumer or the substitute decision-maker is noted. The consumer could have a choice of service location, either in a facility or in the community setting. Likewise, if facility services are the choice, there is a need to have choice of which facility to enter, rather than this decision being made solely by the placement coordinator.

No consideration of alternative or new funding methods is apparent. How do these changes impact on long-term care policy changes? Can funding become more flexible within the new framework, even between facilities and in-home services? There is a need to develop precise eligibility criteria for the levels of care that are consistently applied by all placement coordinators. Consistent procedures for authorization for admission need to be applied by all placement coordinators.

The eligibility criteria and authorization procedures must be readily available to the public. It is not definite that the placement coordination is provided by an independent and objective program. The conditions on the grant for goods and services for the disabled person need to be developed, readily available and consistently applied.

I thank you for this opportunity to comment on these concerns of our VON branch and look forward to working towards realistic solutions.

Mr Jim Wilson: Thank you, Ms Fallon, for your presentation. It was short and to the point, which we certainly appreciate. I want to talk about the points you raised about either no consumer choice or, I guess, properly worded, certainly very limited consumer choice. I gather you're referring here to placement in a preferred facility. Do you want to just expand on your reading of the bill?

Mrs Fallon: The reading of the bill to me does not really state that there would be a consumer choice. It just sort of said that the placement coordinator will determine the eligibility and determine the facility. As I see placement working now, they do work very closely with the consumer to find out, after the level-of-care requirement is decided, which facility that person would really like to go to and that person would be directed that way first, if at all possible.

If it is an emergency situation and that facility does not have an open bed or room, then they would be able to go to a facility that did have an open bed or a room, but that would not necessarily mean the very first move that was made, and I didn't see that or read that in the legislation. It may happen, but I don't see it in the legislation.

1630

Mr Jim Wilson: I think we've been given some assurance as a committee that there is to be some more flexibility in terms of how the placement coordinator and whom the placement coordinator consults when going about those decisions. But I would agree with you that the wording in the legislation is pretty stringent and doesn't appear that flexible, and we're going to try and work with the government to change that wording if we can.

I wanted to know what you thought about, as has been mentioned by other presenters in other areas of the province, a facility's right to perhaps not accept what the facility might deem an inappropriate placement. Do you think there's room in this bill for a facility to have a say in a decision made by a placement coordinator?

Mrs Fallon: I did not read that in the bill as it was stated. No, I didn't.

Mr Jim Wilson: It doesn't exist. Do you think it should exist?

Mrs Fallon: Yes, I think it should exist. I think it's still very inappropriate to have someone who is very confused in the same room as someone who is not confused. If they can't do that with changes within the facility, I think there still can be some instances where it would be inappropriate for someone to be placed in that bed at that particular time.

Mr Jim Wilson: Thank you. I appreciate those comments.

Thirdly, it's been suggested to the committee that perhaps the powers of the placement coordinator are too numerous and clearly heavy-handed. It was suggested to us by some presenters that—I want to ask you this as a member of the VON—perhaps the same person determining eligibility should not also be determining everything else in terms of placement in which facility and where, that there may be an inherent conflict of interest. Do you see any of that? Have you given any thought to conflict of interest?

Mrs Fallon: That was one of the reasons I felt that it should be at least an independent outside program that administered, that the PCS coordinator was a member of, so that there shouldn't be that conflict of interest. I won't guarantee that every single person, being a human being, wouldn't react one way or the other.

Mr Jim Wilson: So we should separate who determines eligibility?

Mrs Fallon: No, I don't necessarily feel that. I think that—and how the coordinator actually determines that eligibility. Do they go out and make the interview or do they accept someone else's word? That's not even thought of, from what I could read, in the legislation. They just had some kind of reason to make up their mind whether they were eligible or not. That's why clear criteria for that have to me made.

Mr Jim Wilson: And should be spelled out, where possible.

Mrs Fallon: And everybody should use the same criteria in the same way, so that someone in Timmins doesn't interpret it differently than they do in Chatham. It should be done exactly the same way with both areas.

Mr Wessenger: Thank you very much for your presentation. I'd just like to assure you that yes, consumer choice is very relevant in this policy. We may even have amendments on that—who knows?—clarifying. I just want to indicate that the procedure is that the consumer should make the choice of which facility he or she wants to apply to.

Secondly, I just thought I'd indicate to you what the legislation says with respect to the refusal of a facility to take. It says:

"An approved corporation maintaining and operating an approved charitable home for the aged shall admit a person who meets the requirements of subsection (5), unless a ground for refusal of admission described by the regulations exists."

The ground for refusal of admission will be that basically, in general terms, the facility is not able to service that particular type of client.

I would like to ask you a question, however, with respect to your comments, saying that there's a need to develop precise eligibility criteria for the levels of care that are consistently applied by all placement coordinators, and also consistent procedures for authorization for admission need to be applied by all placement coordinators.

The reason I asked you to comment on that and clarify is that we've had some facilities that have come here and asked for more flexibility in these criteria. I'd like you to comment on why you feel you need more consistency rather than more flexibility.

Mrs Fallon: I probably am commenting on it as if I were a person who was doing the job of placement coordination; also the fact that if the procedure to go through if I didn't like where I was placed is not clearly spelled out, there are going to be many questions by the consumer. "Why did I not go to X nursing home instead of X chronic care bed?" and so on and so forth.

If those criteria are very clear and very straightforward on what are the admission requirements to go to this level of care, you meet those requirements or you don't meet those requirements. "I want to go to a certain nursing home." "You do not meet the requirements to go to a nursing home, and here they are: (1), (2), (3), (4), (5), (6), (7)."

If they're not clear, I think there will be a lot more people who say: "That's where I want to go anyway, because that's around the corner from where I live. I have somebody who works in that facility in my family." There are many different reasons why they want to choose one. But it's the level of care that's required rather than the choice between three nursing homes or three homes for the aged, or rest homes, or whatever other level of care; that was my concern.

Mr Wessenger: Fine. Thank you very much.

The Acting Chair: Mr Hope.

Mr Hope: You know Jackie. She always keeps me informed of everything, about what's going on in the health care profession, on the contrary to what some of the opposition may say. I don't know much about health care, but I know I have a constituency assistant who's had 25 years plus and is a volunteer—I don't know if she currently still is, but I know she was a volunteer in the VON in providing services. One of the important things that I see is the 200 dedicated volunteers that we have in a population density and a geographic size that we are: 200 volunteers.

One of the things that I would like for you to get on the record—hopefully we share the same concern—is about the geography, that our placement coordination in Kent county stay alone and somebody doesn't bring us in line with the Windsor area. I'm sure you would have some concern there, if we were to be lumped in with somebody else in the Kent county areas.

Mrs Fallon: At the present time the geographic area is definitely the county lines. Yes, we would hope that it would stay that way, because it's a large enough area for the number of people to cover anyway, and if you don't have people who are close by who understand what's happening, who can know all the different facilities in that particular area, I think it would be more difficult to take in two counties.

The one concern I do have, and it happens a lot of times, is the people who live on the county lines, whether it be the county line between Lambton and Kent, Essex and Kent or Elgin and Kent. There are always a certain number of people who prefer to go just the other side because that's the direction they always go, and I think that's going to happen in every county. The larger area that you cover is not necessarily going to change that concern about which service they can go to.

From my understanding, even if I lived on the county line and wanted to go to the home for the aged in Petrolia rather than the one in Kent county, I probably could do that if I went through the right placement coordinator. I see no reason why they couldn't share that kind of information if the right procedures are in place.

Mr Hope: I also noticed in your presentation—and I thought maybe you'd like to get it on the record—about the needs of rural Ontario versus the larger areas. I wondering if you could share your viewpoints with us about the need of funding and the difference from large-density areas to large geographic, low-density areas.

Mrs Fallon: I think that especially rural areas have very definite choices and likes of where they would like to stay—their friendships, their family—much more so than I have found even in, say, the difference between living in the city of Chatham and the county of Kent. There is a difference in reaction on their loyalties to where they want to be and what choices they can have. They are very definite about what they like and what they don't like, what they want and what they don't want.

I think rural people as well tend to look after themselves or each other within the community. Because there are fewer people to worry about and you've known the same people for years and you've gone to the same church and belonged to all the same clubs, you tend to look after each other for a longer time, until it becomes very heavy care. I think that really does make a difference. There are also usually more family and friends close by than when living in an urban centre.

1640

The Acting Chair: Mr Wessenger, you had a clarification.

Mr Wessenger: Yes, I would like to have staff clarify with respect to the role of the placement coordinating agency geographically. I think it would be helpful.

Mr Quirt: With respect to the process of a placement coordinator determining someone eligible for admission to a long-term care facility, that can happen anywhere in the province and any placement coordinator can determine you eligible. It would be the responsibility of that placement coordinator to make sure the client was considered for admission to the facility of the client's choice regardless of where that was.

For example, if a long-term care client in Kingston were to become aware that there was a German-Lutheran home in the region of Niagara, that person could be determined eligible for admission to a long-term care facility in Kingston and would receive every consideration for a spot in the German-Lutheran home. If his need for admission was higher than someone from next door to that facility, the person from Kingston would get in first.

The objective is to make sure that all people eligible for long-term care facilities are considered equally for admission to the facility of their choice and that people's admission be prioritized based on their need.

The Acting Chair: Thank you very much. Now, Mrs Caplan or Mrs O'Neill first, whichever you decide between you.

Mrs O'Neill: Mrs Fallon, I'm very pleased that you talked about the accountability aspects in your brief, however brief it is. We had three seniors before us yesterday who spoke with a great deal of passion about their desire to be independent, to be able to make choices and to know the options available to them. I think you are sensitive to that, even though you haven't said it as explicitly. I'm very happy you brought that forward. I'm misunderstanding, I think, your statement that, "Residents' councils are not...." What does that mean?

Mrs Fallon: In the legislation—and I don't have my legislation right at the moment—in only one of the sections of the act does it say residents' councils are required. It doesn't say in all of the rest homes, homes for the aged and the nursing homes parts of that act's changes.

Mrs O'Neill: I thought that's what you meant. If you read it here, you could say that you were saying they're not required. I guess it's just a misinterpretation I was making. These people were members of a residents' council and they were making their point very explicitly, and you're making the same point, that there should be a right for a residents' council in each facility. Could you say a little bit more about your statement that there was "no consideration of alternative or new funding methods"? Could you say a little bit more about that for us?

Mrs Fallon: I think I'm bringing up the ideas that we're hearing about the long-term care changes.

Mrs O'Neill: That would be helpful.

Mrs Fallon: None of us really know what is going to happen anyway. Really, in this legislation nothing has been shown that alternative funding methods, other than direct payment to the facility, have been considered. What those methods are could be wide and varied. Could there be more partnerships between facilities for specialty things? Could there be partnerships between community organizations and facilities? There are many ramifications of that.

Mrs O'Neill: Are you also thinking about the role of municipalities?

Mrs Fallon: That's part of it, yes. There are many things, but actually I was thinking about more direct funding for a bed in a facility being filled or not. Could some of that be used to get expertise on s part-time basis on a short-term basis from outside of that facility rather than hiring someone internally totally?

Mrs O'Neill: I hope those things will be looked at. Our fear is that most of them will be in regulations only, and I'm glad you're bringing forward your concerns so that the regulations, hopefully, will be based on some of those.

The Acting Chair: Mrs O'Neill, ministry staff wonder if you would like some of that clarified.

Mrs O'Neill: If it's possible, let's go for it.

Mr Hope: Oh, carefree today, aren't we?

Mrs O'Neill: I'm always that way, Randy. You know.

Mr Quirt: Ms Fallon, you're right that there's no description of the funding formula per se in the bill. There is a full description of the funding arrangements available, if you're interested, and certainly there's a program manual that talks about that in detail. We'd be happy to provide your organization with a copy of that.

You asked a question specifically about whether facilities could use funding for quality-of-life programs, for example, physiotherapists or occupational therapists or social workers in a partnership way, and that's entirely possible.

The nursing home or home for the aged would be given a fixed amount for quality-of-life programs per client per year, and it could use that in whatever collaborative way it wished. That would be noted in their service agreement.

To give you a concrete example, I was advised the other day that a home for the aged in Brockville and a nursing home across the road have already spoken about hiring a social worker and sharing the cost from the funding provided in the quality-of-life program component of their budgets.

Mrs O'Neill: At least we know we've got one problem cleared up.

Mrs Caplan: I think you've addressed your concerns extremely well about the opportunity for choice of the results of how the policy is implemented, and we've had some very good information presented by the ministry that I think will be very helpful for the committee as well.

There are two concerns that you have not addressed during the question time. One is your concern that residents' councils are not required in all long-term care facilities. We know that they are presently required in nursing homes under the Nursing Homes Act. Why do you think they have not been included, and would you recommend that they should be included in all designated long-term care facilities?

Mrs Fallon: It's my opinion that they should be included. I do not know why they were not. Whether it was just one of those things or if there's a real reason why they were not, I have no idea, but I see them as being very positive steps.

Mrs Caplan: My question's to the parliamentary assistant. As a matter of policy, why was it the position of your government not to require residents' councils in all long-term care facilities?

Mr Wessenger: The answer I'll give to that one is I think that some very good points have been made indicating that they ought to be included in all facilities, and certainly that will be looked at very carefully, and hopefully we can have the appropriate action taken to ensure that it's done.

Mrs Caplan: What he just said is they're going to bring forward an amendment to do that.

Mr Jim Wilson: Maybe.

Mrs Caplan: We think. I think that's important to have on the record and I think it's good to have that clarified.

The second question I have for you relates to your concern about chronic care facilities, as they are now called. We know that some of the chronic care facilities in the province are already changing their names to long-term care facilities, and that hasn't been defined anywhere, but that's a cause for concern. We've got a chronic care role study which has been under way for two and a half years. We understand that it will be available in March.

At the same time, we also have the long-term care policy framework, which has been promised repeatedly over the last year. It was supposed to be available last January. We've also been given a commitment from the parliamentary assistant to make his best effort that both of them will be available in March.

What I'd like from you today is your opinion—we've asked this of others before the committee—of whether it's called a chronic care facility, a chronic care hospital or a long-term care facility and whether you believe that those which are a part of the chronic care role study today should be included in level-of-care funding regardless of what their role is or whether they should be included in this legislation.

Mrs Fallon: I think they should be included in the legislation. I realize that because many of them are already in a hospital setting as such, it would be very difficult to write up legislation for one part of a hospital, but I feel a lot of the suggestions that have been given for the other levels of care, the nursing homes and homes for the aged, really could apply to the chronic care setting.

Mrs Caplan: Thank you.

The Acting Chair: Thank you very much for appearing. We hope a lot of these questions will be answered as soon as possible and certainly we can look forward to that.

If I could ask the committee to just remain briefly, we have an update from our research officer and then we will resume. I would like to thank all of those who have appeared before and those who have just stayed to listen to what is going on. We will resume the hearings at 6:30. This evening we will have four presenters. The one group who could not appear this afternoon—is it Reliacare? Is that how you say it?—Reliacare will be with us around 8 o'clock, we hope. Thank you.

Ms Alison Drummond: You should all have at your places—I handed it out this afternoon—the summary of the first week of hearings. There are a couple of things I just want to note about that.

Usually we have a page with a caveat, which didn't get in so I'm putting it on Hansard. It's not a verbatim transcript of anything; always refer to Hansard or the submission itself, if you need that. It's just a general idea of what's been going on in the hearings.

The second thing is, it's not quite the usual format where it addresses specific clauses of the bill. Further along in that process of writing out the summary we will be bringing in the specific clauses of the bill as much as we can. Thanks.

The Acting Chair: Thank you very much. The committee stands adjourned until 6:30 this evening.

The committee recessed at 1652.

EVENING SITTING

The committee resumed at 1836.

The Acting Chair: Good evening, everyone. Once again, the standing committee on social development is now in session for the hearings on Bill 101, An Act to amend certain Acts concerning Long Term Care. We have with us ministry staff, who are, as always, helpful, and also translation services.

WINDSOR WESTERN HOSPITAL CENTRE

The Acting Chair: If the presenter is ready, we will have Anne Morrison from Windsor Western Hospital Centre.

Ms Anne Morrison: I want to thank everyone for the opportunity to present our points today. Windsor Western Hospital Centre is a 550-bed, multisite health care organization, and we have an 83-year history of providing high-quality care that's specialized and general, medical and health services to residents in Essex county.

Currently, we provide both inpatient and outpatient services in medicine, surgery, rehabilitation, psychiatry, mental health and chronic care, and it's with respect to chronic care and long-term care that I make my presentation today.

Our chronic care program is provided currently on two sites. Riverview Hospital on Riverview Drive East in Windsor has 150 approved beds and offers supportive clinical services on both an inpatient and an outpatient basis. Riverview Hospital has been providing care for the chronically ill in Essex county since 1938. The hospital merged with the IODE Memorial Hospital to form Windsor Western Hospital Centre in 1972. The impetus for this merger was to plan the replacement of Riverview Hospital. Our Prince Road site operates 76 approved chronic care beds for appropriately assessed residents.

Our current program is dedicated to the provision of care by a qualified multidisciplinary team which includes family practitioners, consultant medical staff, nurses, physiotherapists, occupational therapists, speech-language pathologists, social workers, psychologists, chiropodists, dentists, dietitians, pharmacists, chaplains, recreational therapists, volunteers and others.

We focus on the individual resident in order to provide a quality of lifestyle that recognizes the dignity and unique value of the individual and fosters self-direction. Care planning, discharge planning and follow-up services involve the residents, their families and outside agencies where appropriate.

Our role in long-term care is changing. We have been involved in planning the replacement of Riverview Hospital since 1972. At least three distinct approvals have been received to construct a new chronic care facility since 1972. Prior to our existing plans, the most recent approval was to construct a 270-bed—there's an error in the document—facility in two stages on our Prince Road site in 1990. Phase 1, which provided building support systems, was completed in 1991.

In late 1990, as a result of the new directions in long-term care reform, Windsor Western was requested to replan phase II, the residential component of the facility in two phases. One was a new 225-bed long-term care facility and the second was a 45-bed geriatric assessment and rehabilitation unit in renovated space resulting from plan downsizing of acute care beds in Windsor. The new facility was planned to operate under the new long-term care reform policies and standards. Approval to proceed with construction on this new 225-bed long-term care facility was received in December 1992 and we are now progressing with construction.

Windsor Western is in the unique position of currently being a major provider of chronic care in the Windsor-Essex region. When our new facility opens in the fall of 1994 we will be a long-term care facility operating under the changes proposed in Bill 101 and related legislation. For this reason we're pleased to have the opportunity to make this presentation today.

As a current provider of chronic care and a member of the provincial long-term care system, Windsor Western shares many of the government's goals with respect to long-term care reform and has a strong commitment to the four principles outlined in the discussion paper Redirection of Long-Term Care and Support Services in Ontario, namely, the primacy of the individual and the right to dignity, security and self-determination; promotion of racial equality and respect for cultural diversity; importance of family and community; and equitable access to appropriate services.

Further, we believe that there is a need to bridge service gaps in the existing system in order to ensure a coordinated continuum of long-term care in Ontario. A well-developed continuum of services will ensure that the appropriate types and levels of service will be available to consumers when they need them and that clear distinction in provider roles and standards of care will minimize service overlap and facilitate equitable access to care.

We understand that Bill 101 is the first piece of planned legislation to govern long-term care reform and that it was developed to meet five specific policy goals: achieve equitable and needs-based funding for long-term care facilities in the province; strengthen accountability of long-term care organizations in relation to management and service provision; implement a consistent facility resident payment policy; establish a single point of access to facility services; and be able to make payments directly to adults with disabilities to self-manage their own support services.

However, we have some concerns regarding certain elements of the proposed changes. Our first area of concern is related to the equitable and needs-based funding objective and how it's incorporated in the proposed legislation. The proposed changes will clearly equalize the level of payment for long-term care. That's not in dispute. However, we are concerned that increased equality in funding levels has been achieved by a decrease in the average level of funding and consequently the level of service that will be provided. We understand that the level of funding being considered is in the range of $80 to $85 per resident day.

In the absence of results of the provincial-wide assessment of level of care needs of the long-term care system for residents using the Alberta classification tool, it is difficult to assess whether this level of funding will meet the needs of the resident population targeted. Our current chronic care population was assessed as requiring the highest level of care under the Alberta classification system in the preliminary sampling review over 18 months ago. We don't expect to serve a significantly different population in our new facility. Our staff are challenged to meet current standards of care at existing funding and staffing levels. Our current per-diem nursing costs alone exceed the proposed new daily revenue level by approximately $15 to $20 a day. The result of this funding change will be a deprofessionalization of the system.

With the expansion of community-based services aimed at assisting individuals to stay in the community for as long as is possible and prudent, we have seen a progressive increase in the level of care required by new admissions to our long-term care facilities. The provincial commitment to further expand community-based services is supported. However, the outcome of this service development will be a concurrent increase in the level of care required by individuals assessed for long-term care placement. This pattern was experienced in Alberta in the 1980s, and we will experience the same in Ontario in the 1990s.

The proposed level of funding and the scope of services it is to cover raises concerns about whether the proposed changes will in fact ensure needs-based funding.

Our second area of issue is some of the proposals dealing with strengthening of accountability. To ensure appropriate accountability for the management of resources and the provision of quality of care is an important objective.

However, the proposed service contracts and expansion of the inspection system that has been used in the nursing home system will not guarantee quality of service. The use of compliance management, peer review through accreditation and continuous quality improvement programs have had more success in improving standards and quality of service in the health care industry than step-by-step manuals.

Most provincial nursing homes and homes for the aged have successfully met the progressively upgraded standards and criteria established by the Canadian Council on Health Facilities Accreditation. Further, the province's recently passed Advocacy Act provides the opportunity for residents and/or their families or advocates to generate a review of care if concerns are raised. We believe this approach will be more effective than government inspections.

The concept of service contracts and care plans will clearly state the limits of service delivery requirements. Government discussions to date have created tremendous expectations for expanded and improved service delivery in long-term care. However, the proposed per diem of $80 to $85 for long-term care facilities will not support these promises. Further, this legislation does not appear to offer any flexibility for facilities to manage their case load, should the resources required to meet the care plan and service contract not be available.

The issue of governance is unclear in the proposed legislation. The chronic hospital system in which Windsor Western currently works is governed by local voluntary boards which act to ensure that facilities operate within industry standards and are responsive to local service needs. The proposed legislation appears to strengthen accountability to a centralized government agency, which we believe is in conflict with recommended regionalization of services and enhanced local autonomy.

The third area of concern that we have relates to issues around the establishment of single point of access to facility services. The establishment of a single organization to facilitate access to long-term care facilities has the potential to significantly improve resource allocation and appropriate access to services and should prevent unnecessary or early admission to long-term care institutions. This model was successfully implemented in Alberta using the placement coordinator as the gatekeeper to the system.

However, as currently stated, Bill 101 appears to provide limited choice for the consumers assessed for a level of care. This may weaken the system's ability to meet the ethnic, religious and geographic preferences of individuals. In addition, facilities appear to have limited ability to manage their case mix severity in order to ensure that they can meet their service contract and safely provide the level and quality of services contracted. It is very important that the appeal mechanism be timely and responsive.

In conclusion, Windsor Western recognizes and supports the conceptual framework of long-term care reform and agrees with the objectives Bill 101 was established to meet.

However, we do remain concerned about the impact of the proposed changes on the ability of long-term care facilities to manage resources and ensure the projected level and quality of service expected within the proposed funding levels. Sufficient operational flexibility must be available to allow long-term care facility managers to manage local service delivery responsively and responsibly.

We urge the minister to reconsider the operational issues of concern we have identified and thank you all for the opportunity to present our concerns here today.

1850

The Acting Chair: Thank you very much for being here, and now, with your permission, we have some questions for you.

Ms Morrison: Certainly.

Mr White: Thank you very much for your presentation. You bring up a number of interesting points and a number of concerns, obviously, some of which have been shared by other people. I just wanted to ask a couple of questions in regard to the placement coordination service locally. That's been in place for a few years, has it?

Ms Morrison: Yes.

Mr White: Have you found that to be an onerous body? Have they not taken into consideration the clients' concerns and wishes and ethnic backgrounds?

Ms Morrison: I can't make a comment that that's been a negative process to date. What we do find currently is that many individuals sit on several waiting lists right

now. There is not a consolidated waiting list for placement in the community. It's an issue that we're grappling with currently through a planning committee on long-term care in the region.

What is of concern to people is some of the wording in the legislation that appears to limit choice. So while there's a lot of support for the concept and strengthening the current system, there is concern about some of the wording that appears to limit choice, both on the part of the consumer and of the facility which may have the vacancy that's been identified for that consumer.

Mr White: What I'm asking about is the present system, which would remain pretty well intact. For those areas where there already is placement coordination, the system would be essentially unchanged under the legislation—

Ms Morrison: No, that's not true.

Mr White: —and I'm wondering if you have had problems with the present placement coordination service.

Ms Morrison: We're interpreting the wording in Bill 101 as placing more restrictions on choice than the current system, as it's operating now, provides. There is central coordination of placement, but there is a fair degree of latitude for preferences on specific facilities in the county. It's the nature of the wording that has raised concern. It appears more restrictive.

Mr White: The present system would stay in place, but if the wording needed to be changed, I'm sure that counsel would look at that. Thank you.

Ms Carter: Thank you for your general appreciation of what the act is trying to do. I just wondered if you could clarify what you're saying about funding. You say that the proposed per diem of $80 to $85 won't support the promises. Now, as we all know, the amount of funding will depend on the levels of care being given, on the weighting of how severe the actual people in that facility are. Will that not solve the problem, so that if you get more people in the higher levels of care, you will get more funding to meet that?

Ms Morrison: The levels-of-care funding, as the system works in Alberta and as I understand is proposed for Ontario, operates on an average, so while there are interfacility differences in funding based on the assessment of the level-of-care mix that an individual facility has for that year, it is really a redistribution of existing funding among existing services. So it is not related necessarily to need; it is related to redistributing existing dollars targeted for that sector.

Ms Carter: Except that there are additional dollars going into the system, so there is going to be more money on average available than there is at the moment.

Ms Morrison: For certain facilities. Other facilities—and that's part of the evening out of the funding through the system.

Ms Carter: Okay. I'd also like to thank you for being, I think, the first person to mention in your presentation that the Advocacy Act is relevant here and is going to provide a vehicle for consumers to have their say. I appreciate that.

Mrs Caplan: Thank you for an excellent presentation. The questions I have really relate to a number of issues that have been raised by a number of presenters. If I could go through them with you—and I would invite the parliamentary assistant or Mr Quirt to jump in in case I haven't explained it quite as I understand it. First, on the issue of your funding concern, I think it is a legitimate and valid concern, particularly since the chronic role study has not been complete and we don't know for certain how chronic hospitals are going to be treated.

The first question is: Do you think chronic hospitals should be included? Let me change the phraseology. Do you think chronic hospitals or long-term care facilities, if that's what they end up being called, should be included in Bill 101?

Ms Morrison: We believe the role of chronic hospitals does need to be confirmed. The role of chronic hospitals with respect to providing specialized services to specialized populations and providing more active treatment for a sector of the population that can benefit from that is still a valid role in the continuum of care.

Whether the funding mechanism that is designated to cover the long-term care sector will be appropriate for the chronic hospital sector remains to be seen. We still are without the results of the assessment and so we're not sure of where everyone fits. Chronic hospitals may be better served by programmatic funding.

Mrs Caplan: What we heard earlier today—and this is where I would like confirmation if I'm correct or incorrect—is that the ministry envisions supplemental quality-of-life program funding to be available as an enhancement over and above the per diem allotted to the level-of-care funding under the Alberta classification system.

Mr Wessenger: Yes, I will have the staff confirm that.

Mrs Caplan: Yes, that's what I heard this afternoon. I just wanted that confirmed.

Mr Quirt: That's correct. The funding formula would provide funding for three distinct different cost centres: funding that would vary in accordance with residents' care requirements for nursing and personal care, funding for quality-of-life programs that would be provided separately and would have to be spent on those services and, thirdly, funding on accommodation.

I would point out, however, that in the case of facilities that currently operate with costs above the amount of funding to which they'd be entitled under the new system, the province's position is that we would in effect red-circle those facilities and continue to provide the level of funding they're currently receiving from residents in the province. I suspect that would be the case with the new Windsor Western Hospital Centre.

Ms Morrison: Yes, it has been.

Mr Quirt: That's also the case with four other chronic care facilities that through either a local planning process, as was the case here in Windsor, or through a decision by the board of directors have decided to redevelop as long-term care facilities.

Mrs Caplan: I think that clarification is important because it then allows for you, in the absence of the chronic care role study and the policies that flow from that, to advise this committee whether, on behalf of the hospital, you feel that not only Windsor Western but all long-term care facilities should be a part of this legislation.

Ms Morrison: I think if the areas of the legislation we're concerned about were addressed, then they could be considered under the legislation.

Mrs Caplan: What I hear you say, and correct me if I'm wrong, is that if your concerns are not addressed, then conversely you don't think it should be included.

Ms Morrison: That's correct.

1900

Mrs Caplan: Okay, I wanted to be clear on that. The second point that you made had to do with choice—and we've heard a lot about that issue—consumer choice as well as the ability of the institution to participate in the selection of individuals appropriate to that institution. What we heard from Mr Quirt today was that an institution would be able to refuse admission to a patient whom it did not believe would be appropriately cared for in that institution. Is that correct, Mr Quirt?

Mr Quirt: Yes, they would be able to refuse admission on grounds that would be specified and protected in regulation. That's what the bill reads at this point. The regulations would prescribe the reasons that a long-term care facility could refuse admission of a prospective resident. The regulation would talk about, in general terms, the inability of that facility to appropriately care for the resident. It may be a structural issue or it may be that the resident requires a particular therapy or service the facility's not equipped to provide. We would hope that placement coordinators, as we've heard earlier from placement coordination submissions, would not refer a client requiring that type of service in the first place.

Mrs Caplan: Would you be more comfortable, Ms Morrison, if that policy intent was included in the legislation as opposed to being left to regulation?

Ms Morrison: Yes, our concern is not that unlimited choice be made available. That's part and parcel of the review process and having criteria for admission for specific levels of care. Our concern was the flexibility that would be allowed to make individual choices that may run counter to existing criteria on an issue-by-issue basis.

Mrs Caplan: What I've heard you say is that you'd be pleased to see an amendment in this legislation that would enhance individual consumer choice and would clarify the choice permitted to the institution when the placement might not be appropriate from the institution's point of view.

Ms Morrison: That's correct.

Mrs Caplan: Okay, that was the second point. Do I have time for another question?

The Acting Chair: One more.

Mrs Caplan: The last question I have is really the one relating to inspection. You're aware that the ministry changed its procedure from a prosecutorial approach to a compliance/continuous improvement approach. You've had some experience with that?

Ms Morrison: Yes.

Mrs Caplan: On page 4 you make the point that: "The use of compliance management, peer review through accreditation and continuous quality improvement programs has had more success in improving standards and quality of service in the health care industry than step-by-step manuals.... This approach will be more effective than the 'government inspections.'" The concern I have is that, as you know, the NDP in opposition opposed that change. To me, this bill reflects that ideology. I think it's very important that, if you and others believe in a quality improvement approach, it would be helpful if you could actually make suggestions on the kind of amendment or wording that could be incorporated in the legislation that would ensure accountability as well as allowing for a more progressive quality improvement approach to ensuring and raising standards of quality of care.

Ms Morrison: The one point we were concerned about is that there is a very precise statement about having a quality assurance program. We don't take issue with quality assurance programs per se. Quality assurance has become a bread-and-butter issue in the industry, but the industry has evolved and a more common approach now is one that builds on the quality assurance and moves into continuous quality improvement and effective risk management.

Mrs Caplan: If you weren't able to make the recommendation, what I'm hearing you say is that you would prefer an amendment to this legislation that (1) required accreditation and (2) required a total quality management program within the institution to be accountable through the accreditation process.

Ms Morrison: Yes.

The Acting Chair: I believe we have a clarification.

Mr Wessenger: Yes, I'd just like to confirm, because it has been confirmed before, that we also share your concern about the use of the words "quality assurance plan." More appropriate language is being looked at because certainly the intent, without getting into current language, is to have a quality management approach.

Mr Jim Wilson: Thank you, Ms Morrison, for your presentation. If I may say, Chair, to the parliamentary assistant, Mr Wessenger, that's a bit of good news you've given us, that the government's willing to move and maybe change the language in the act to "continuous quality improvement" rather than "quality assurance." It's nice to know that these hearings are having some effect, and we're only halfway through them.

Mrs Caplan: We got two today.

Mr Jim Wilson: It's been a banner day. Ms Morrison, when you mentioned your comments surrounding the funding issue, you were well aware that your new long-term care facility is to be red-circled. You mentioned in your oral presentation that the shortfall in the per diem could be $15 to $20 a day.

Ms Morrison: No, I would like to correct that.

Mr Jim Wilson: Sure.

Ms Morrison: The $15- or $20-a-day shortfall is in relation to what our nursing budget alone is.

Mr Jim Wilson: Yes, I realize that.

Ms Morrison: Our per diem is significantly larger than that.

Mr Jim Wilson: Than $15 to $20 a day, yes. Your per diem is $80 to $85; that's what you're expecting.

Ms Morrison: No, that is the range that we have heard is being considered for this sector. As a chronic care hospital, our current per diem is over $200 a day. That allows us to provide a broader range of services. Our concern is that at our existing nursing staff level, which we find quite challenging and which our residents complain about, the cost for nursing expenses per day currently is $100. On top of that, we have other issues. That does not address the issues of hotel services, of other program services and other associated expenses.

Mr Jim Wilson: Taking into account the other funding opportunities that Mr Quirt talked about just a few minutes ago, and given your comments that the whole discussion around long-term care has perhaps raised expectations in the community, what's the discussion been at your board tables in terms of your future ability to deliver the level and quality of care that you're delivering now? Do you expect to see a decrease if the funding isn't straightened out?

Ms Morrison: As I've stated, we're concerned. We have a level of funding that we have been assured will be red-circled, but I don't think I have to outline in significant detail the level of salaries and benefits and the impact of such expenses as WCB. Effectively, if we had a nursing staff member go off on a benefit issue with WCB and we were obliged to pay the full cost, that would translate into the expenses for four FTEs in a year. The going rate is about $200,000 for a case. If the individual is not able to come back to work, that translates on average to about four FTEs in the department of nursing. That's with a mixed staffing level.

Our concern is not so much the red-circling now, but the impact of progressive expenses in labour contracts, WCB fees and other rising costs. We may be slower at reaching this level of funding or its comparator a few years down the road because of the red-circling, but we're here today because we know we've now been streamlined into the system, and that is our future, whatever the impact of annual increases between now and wherever we catch up.

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Mr Jim Wilson: You make the point quite clearly in your presentation that it's levels-of-care funding but not necessarily levels-of-care funding, and that there's a pool of money that you're given that's capped, essentially, and yet you're expected to meet government standards. You expect you'll be able to do that, but you're saying that something like a WCB case, just one, could throw your budgeting right off.

Ms Morrison: That's correct.

Mr Jim Wilson: I think it's fair for committee members to take note of that. Just in terms of the—

The Acting Chair: Last question.

Mr Jim Wilson: Yes, thank you. I note Mrs Caplan had a few of them, and I thought they were all good, Elinor.

The Acting Chair: We could say this is your fourth, sir.

Mr Jim Wilson: I'll make it very quick. As Mrs Carter pointed out, you're one of the few—I guess probably the only presenter today—to mention the Advocacy Act. What I read between the lines in your comments there is that perhaps it's overkill to impose an expanded inspection system plus the advocates. I sat through, as did other members here, the advocacy hearings and introduced a number of amendments to that legislation, and certainly we were assured by the government that in fact advocates essentially were acting like inspectors and would ensure that any problems in the system were brought to the attention of people who could do something about it. Do you just want to briefly comment on that?

Ms Morrison: Yes. We support the Advocacy Act and we think that if there are benefits to be achieved it will take some adjustment in certain sectors, but our concern is that with the Advocacy Act and the strengthening of the inspection system there will be a bit of overkill in review.

The Acting Chair: Mr Wessenger, a quick question.

Mr Wessenger: Yes, just a quick question: I'd like to know, are there any patients in your chronic care facility now who will not be able to be included in your new long-term care facility? Secondly, what will the new building do with respect to the change of environment for the patients in the facility?

Ms Morrison: With respect to your first question, we believe there are a number of residents in our existing facility who may not move to the new facility. We are currently working in committee in the community to define admission criteria for our new facility. One of the issues we had in planning this new facility under long-term care reform and our timing was that we were planning ahead of formalized policy, and so we were doing so with negotiations with the planning bodies within the ministry and effectively we weren't really definitively clear about the population we were serving. That challenged us to plan in such a way that the facility could effectively handle a very wide range of individuals and individual needs.

We have a couple of specific populations. One unit in particular is a 30-bed cognitively impaired unit for a population we do not take care of now. That's the ambulant, cognitively impaired, difficult-to-handle senior. So that is a population, that's 30 beds of the 225, that we're not taking care of now but somebody is taking care of them somewhere in the system.

With respect to the improvements the facilities will offer, we're very proud of the building. We think the building will provide a level of living environment and opportunity for more independent living than we can clearly offer through out units either at Prince Road or Riverview. The

largest contrast of course is with Riverview, which was originally constructed to be a residential school and is probably an historic monument in the long-term care system in this province. I haven't met anybody who hasn't gone through at least two of the cycles of planning the replacement of Riverview. We were becoming an institution of our own on that point alone.

Our concern with the building I guess, if we have any, is that we were planning on a model and some requirements, and it's going to make it very challenging to work, down the road, on these funding parameters. We're not a small facility that has four people in a room and the tight space per resident that involves and the differences in overhead expenses. Our facility was planned and approved and is proceeding with construction with a design that has, on average, 1,000 square feet per resident, and we have no on-site kitchen for production, no on-site laundry for laundry production. It was basically planned on a purchase service arrangement.

Further, the room configuration was planned with the guidelines of 80% single rooms and 20% double. Now, having taken several of our residents through, the reaction of residents is that they're moving into a very nice hotel and we're proud of that. They like that and they can't believe that long-term care facilities are going to be this nice. But there is a cost associated with that.

We have a lot of facilities. We have excellent rehabilitation service areas. We have recreational facilities internally and externally. The cognitively impaired unit has a protected, secured garden that is designed specifically for this population. We have planned for a unit designated for the young disabled because we, in the city, chronically have somewhere between 35 and 45 young disabled individuals who because of the configuration of housing and resources in the community, are forced to live in institutional living. But we believe they need a different environment than living in units with the frail and very confused elderly. That's another population. They have service needs that someone who has been in a home for the aged or a nursing home doesn't have and we will be dealing with those.

I think some of the challenges in the funding will be finding some middle road between maintaining a level of funding that's economically reasonable for the care provided for the population in a long-term care system that can deal with that. Then we have other issues that are going to take specialized programmatic funding that will require a topup system. It was positive to hear that there was a potential for that. We would welcome any discussion on how we can best fit in that.

Mr Wessenger: Thank you very much. I really appreciate your letting me know about what just sounds a marvellous facility.

Ms Morrison: You're welcome to come and visit any time. We have some mock-up rooms we are pleased to show.

The Acting Chair: Thank you very much for your presentation.

Mrs O'Neill: Madam Chair, I have a question that I would like to pursue with ministry staff that Ms Caplan touched on.

The Acting Chair: Possibly while the next group, Central Park Lodges, is coming forward you could put that on the record.

Mrs O'Neill: I've had a lot of correspondence on the fears of red-circling and it's now coming forward in these discussions. I wonder if we could have, either in writing or verbally, just how that plan is going to work. Are there going to be a number of years that are going to be allocated around red-circling or could it go on for a long time? How is the amount going to be determined that a facility will be classified as being eligible for red-circling?

I think it's something we should, if we have the information, try to clarify because, as I say, I've got between 5 and 10 letters on this item on my desk right now.

The Acting Chair: Would you like to take it under consideration?

Mr Quirt: I can describe it briefly now and follow up with a briefing note on that topic, if you'd like.

Mrs O'Neill: I think that would be very helpful if you could that.

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Mr Quirt: The policy on red-circling is a simple one in that the province has made a commitment that no long-term care facility will get less support from a combination of the resident income and the provincial subsidy than it currently has. So, for example, a municipal home for the aged that now operates with costs above what it'll be eligible for under the new system will continue to get the same level of support from the province and residents, and that translates to the municipality being able to continue with its existing level of operational expenditure with the same municipal contribution.

The same is true, as I mentioned earlier, of those facilities that are now in the process of converting from a chronic care hospital to a long-term care facility, and we estimate that roughly 10% of the long-term care facilities in the province will be red-circled. Obviously the facilities that are red-circled are those that are the most highly funded 10% of facilities in the province. We will not know precisely how many are red-circled until we know the precise amount of funding available through the estimates process and match that to the case mix index of each facility.

No decision has been made on an economic adjustment policy for those red-circled facilities. One would be made once the scope of the situation was known; in other words, once we knew how many facilities would be red-circled, what percentage of the facilities were in that category and what costs were associated—how far out of line they were with the rest of the long-term care facilities in the province. We'll provide a note that describes that policy for you.

Mrs O'Neill: Thank you very much.

CENTRAL PARK LODGES
ONTARIO LONG TERM
RESIDENTIAL CARE ASSOCIATION

The Acting Chair: Thank you for your patience. I understand, as the clerk has pointed out, that you represent Central Park Lodges and the Ontario Long Term Residential Care Association.

Mr Jim Anderson: Yes.

The Acting Chair: Would you kindly introduce yourselves, and then you may begin.

Mr Anderson: Madam Chair and committee members, my name is Jim Anderson. I'm general manager of Central Park Lodges in Windsor. I have with me Pat Sousa, who is director of sales marketing and management contracts for Central Park Lodges and is also president of the Ontario Long Term Residential Care Association, and Rick Winchell, who is the executive director of the Ontario Long Term Residential Care Association.

The Acting Chair: Thank you for coming. Welcome.

Mr Anderson: My throat isn't that great, so if it's all right with the committee, I'll start off and pass it off to Mrs Sousa and she can finish up.

The Acting Chair: Certainly.

Mr Anderson: Central Park Lodges has been providing quality residential care services to thousands of seniors across Canada since 1961, and here in Windsor since 1972. Our company has also played a key role in shaping the standards of our provincial sector's professional organization, the Ontario Long Term Residential Care Association. Together, Central Park Lodges and the association are committed to service excellence and ensuring that Ontario's consumers have retirement living options that are second to none.

The association has represented privately operated retirement homes since 1976. The over 600 facilities in the residential care sector in Ontario play a major role in the long-term care system. More than 30,000 seniors, disabled and post-psychiatric residents, whose average age is 83, live as independently as possible in these facilities; 20% receive general welfare assistance.

People tend to move into a residential care setting when daily support becomes a necessity or because they prefer the sense of belonging and social energy that only a professionally staffed congregate setting can provide. Essentially, residential care helps people maintain their independence while offering a wide range of choice in location, amenities, services, size, type of unit and price.

Basic services can include socialization or interaction programs; 24-hour security and professional care support; assistance with bathing, eating, dressing and medication; personal care programs; community outreach activities such as pastoral and transportation; meals, housekeeping and laundry.

Residential care helps people maintain dignity, respect, equality, security and a sense of belonging, autonomy and choice. It fills the service gap between home care and extended care. As the government moves to redirect long-term care, the need for residential care service will increase because of several factors:

(1) Consumers are demanding more choice.

(2) There are increasing restraints on public funding of all care programs.

(3) There is a planned decrease in the number of extended and hospital beds for the elderly and disabled.

(4) The size of the elderly population will be increasing substantially and steadily.

Residential care is an important part of the community. Our sector is helping to alleviate the pressure on the publicly funded system at a time when government will have to try to deliver more services with less money.

As an important link in the continuum of long-term care, Central Park Lodges and the association are concerned about Bill 101. It is the first piece of long-term care redirection and as such it describes how the government intends to legislate publicly funded long-term care institutions.

From our perspective as experienced providers of residential care services, Central Park Lodges is troubled by several aspects of Bill 101. The bill leaves too many issues to regulators and provides too much power to government and its inspectors. It holds facilities accountable for providing for all residents' needs without ensuring that appropriate funding will be provided to make this possible. Most important, the bill restricts choice by limiting people's ability to make informed decisions. Specifically:

Consumer choice is restricted: Consumer choice is not given priority, and an applicant's ability to appeal a coordinator's decision is limited. Facilities are not given an opportunity to match potential residents' needs with the facility's mission, services and programs.

The bill is deficient in its recognition of the province's cultural diversity, most notably in the francophone community.

The bill sets out a new placement function, but the details as to how the placement coordinator will function are missing. In the best interests of consumer choice, we also remain concerned that a singular placement system may restrict information involving care and accommodation options provided by private sector operators.

We are concerned about Bill 101's attempt to move the publicly funded sector away from an insured service to a contractual agreement model with no accountability to maintain equitable, consistent services to meet residents' needs.

Bill 101 may downgrade the publicly funded system through overregulation and underfunding, making it inferior to a privately operated system which offers choice and flexibility.

The bill seems to set out a more adversarial direction to inspections in the publicly funded system than currently carried out. Facilities in this sector have successfully operated with a different approach to patient care, using accreditation and quality management practices to monitor and improve, where necessary, patient care and services.

Mrs Pat Sousa: Central Park Lodges and the Ontario Long Term Residential Care Association strongly believe the best interests of Ontario's older consumers will be best served by a long-term care system that considers the following:

— That the placement coordinator serve to help people make informed decisions about all the choices they have in

long-term care; this should include a sensitivity to the cultural diversity of the province.

— That applicants have a timely and efficient appeal mechanism with respect to placement.

— That existing resources be used for placement coordination and that no level of bureaucracy is created for this purpose.

Accountability:

— That the government be held accountable to maintain equitable and consistent services in publicly funded long-term care facilities in Ontario.

— That the legislation not require facilities to provide all services as defined in the care plan unless the government assumes responsibility for funding these services.

— That sanctions should only be implemented as a last resort; facilities must have the right to appeal the sanctions.

— That the powers of inspectors not be increased and that the use of the existing compliance management program be continued.

Over the past two years, the residential care sector has been part of a broad examination by the Commission of Inquiry into Unregulated Residential Accommodation, the Lightman commission, which has been attempting to define the role of the sector.

The Lightman commission has recommended that residential care be regulated under accommodation-related legislation, which effectively impairs the sector's ability to deliver care. Both Central Park Lodges and the Ontario Long Term Residential Care Association believe that the commission recommendations would have vast and very negative implications for the residents of retirement homes and their families.

We acknowledge that there have been problems in some rest and retirement homes and that there is a need for province-wide standards and a formal system of disputes resolution to address residents' concerns. Since 1985, the Ontario Long Term Residential Care Association has lobbied for consistent provincial standards.

Our approach to meeting this need is the most practical, efficient and least expensive way to deal with some of the problems that have arisen in Ontario's rest and retirement homes. This approach would not create any additional cost to the resident or to either of the two levels of government.

Specifically, we are urging the government to enact provincial legislation and incorporate mandatory standards enforced by the municipalities. These standards would set out the terms for obtaining a licence to build and operate a rest or retirement home. They would also apply to all residential care settings across both public and private facilities that offer residential care units.

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Mr Anderson: Central Park Lodges share the Ontario Long Term Residential Care Association's belief that the residential care sector is an integral element of the long-term care continuum, but its participation is challenged by the Lightman commission's recommendations. Additionally, we believe that there are some problems with Bill 101. These issues combine to restrict consumer choice in long-term care.

We have presented recommendations that, we're confident, will help protect consumer choice, and the important issue of choice will only be optimized by considering an alternative and more practical approach to regulating the residential care sector. Thank you.

The Acting Chair: Thank you very much. Mrs O'Neill.

Mrs O'Neill: It's nice to see you again. I'm very pleased that you mentioned the francophone community. We have not heard a lot about the francophone community or indeed from the francophone community in this set of hearings. I hope that may change when we go up to my home in Ottawa next week.

I'd like you to say a little bit more about the issue that I think is coming to the fore via people like yourselves and indeed in some of the municipalities. On page 2 you're talking about the accountability issue. I'd like you to say a little bit more about how you feel that is either going to be in jeopardy—or if you even want to use the word "deteriorate"—under this bill.

Mr Rick Winchell: Specifically, our concern is that under the contractual agreement approach, people are clearly more accountable, as opposed to the publicly funded approach.

Mrs O'Neill: Can you say a little bit about how that happens in your environment?

Mr Winchell: We have an interesting situation in our own environment in that we are privately operated, so we are not accountable, as you probably already know, except on a municipal level. There are many municipalities that have existing bylaws. In Windsor, Hamilton and Ottawa there are contractual agreements. That is the rationale behind the birth of our association, whereby as a volunteer organization we have been pushing very hard for standards. I can go back as far as the days when the Conservatives had a majority government in this province.

Mrs O'Neill: That's a long time ago.

Mr Winchell: That's a long time ago.

Mr Jim Wilson: But boy, were they good days.

Mr Winchell: I can tell you that through each government we have been very strong in trying to push for provincial standards for residential care, and unfortunately it has fallen on deaf ears. Where we're becoming extremely concerned is that we're now being looked upon, as a result of the Lightman commission, as being accommodation providers only and not being recognized as an integral part of the long-term care continuum. As you well know, there's a huge gap between home care and extended care, as we'll call it, right now.

Mr Anderson: We have a good level of residents, as Wayne is there quite often and he knows. We went over some of this, and their biggest concern is who this person is going to be—and the families we talked to are concerned—who's going to be telling them where they're going, and if they don't want to go there, what are going to

be their options, or how is it going to be judged? There are so many things left out for them.

Our residents are very independent-minded to start with. They came all through life and they're still paying their own way and they want to know if this is in some way going to be steering them where they don't want to go or where it's not appropriate. We have mixed cultures and maybe the slot will say they should go here, but this facility has a better base of Italian-speaking people or they're more comfortable with the peer group here. They're concerned about who's placing this and what criteria they are going to use.

Mrs O'Neill: Do you have a residents' council?

Mr Anderson: Yes, we do.

Mr Winchell: I can also add that the most accountability we have—as you may or may not know, across the residential care sector in Ontario the average occupancy is less than 80%—is to our consumers. They have the ability to walk across the street. That's exactly what will happen if we aren't providing quality services.

Mrs O'Neill: Thank you very much. I'm sorry that you feel that somehow is in some kind of jeopardy with Bill 101, but I tend to agree with you. In any case, your facility is worth visiting. I'm very happy I had that opportunity.

Mr Jim Wilson: Thank you for your presentation. As the Health critic for the Ontario PC party, I admit we weren't perfect, and standards were long overdue, but subsequent governments haven't done anything on that front either. I want to ask you a general question in light of the Lightman commission report and Bill 101. Generally, what do you feel is the future of your sector, rest and retirement homes? Because this bill may be a signal that you'll be swept up in its contents at some point in the future.

Mr Winchell: I would like to say that with regard to all the legislation and all the regulations a couple of points have to be made. First of all, you can't stop the tide of aging. We believe the phenomenon is getting to the point that all the promises and commitments—for example, with regard to community-based services we see already and we know that existing community-based services are strained right across the province. It's one thing to talk about delivering a comprehensive model; it's quite another to deliver it.

Let me tell you straight up front that we have no tolerance for somebody who's not providing a quality service. That's why we consistently have been pushing for provincial standards as opposed to municipal bylaws. But I believe that this province, with the aging phenomenon and the funding realities, cannot continue to ignore the contribution of residential care. I believe we have a healthy future because again, ultimately, if people have the ability to pay, they will come and make that choice.

Mr Jim Wilson: I want to say two things on that, though. First, there are a lot of people who are in the nursing home business right now who fear that this government may have a bias against them in terms of private sector involvement in the delivery of health care services to our elderly. Second, if I look at rest and retirement homes in my own part of the province, I do get complaints the odd time from constituents who feel that in fact some of the residents in those homes are in need of almost chronic care services. Because maybe there aren't other services in the community, the rest and retirement home sector is having to increase the level of care it's making available to its residents, to some points where I've had consumers come to me and say, "You can't tell the difference between the rest home in town and the nursing home in town." Given those two phenomena, I ask you again, what do you think the future is of your sector?

Mr Winchell: Okay, I'd like to answer your first question, which was with respect to the current government's attitude of private sector involvement in health deliveries. In fact, it's a stated preference of the long-term redirection that there be preference given to not-for-profit providers. My question from day one, and the association's question all along, has been, where is there a correlation between ownership and quality? I brought it up at the seniors alliance at the Old Mill last summer, if this government could please consider at least putting the ideology aside and putting it to the test. A good example of that is the Hyde report, which was done in 1983 in Alberta, where they bit the bullet and said, "Let's cut to the chase and find out if in fact not-for-profit means superior quality." The end result was no; there's no correlation between quality and management. I also managed to get the Minister of Health of that day to admit that there are just as many bad products on the not-for-profit side as there are on the profit side. That's the way I'd respond to your first question.

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Mr Anderson: In speaking about Windsor, which I'm familiar with, anybody who's familiar with Central Park Lodges in Windsor knows we work with everyone in Central Park Lodges. We're an outreach type of facility. We support Windsor Western through fund-raisers, we're community-organized and we support publicly funded facilities like Riverview, which is down the street from us. We make available our facilities for them to come in at any time, and they let us use their parking lot when we have parties.

I don't have a problem in Windsor and I'm sitting in probably the heaviest-regulated-bylaw city for residential care. I have no problem with the drive for some sort of regulation across the province. The major problem my residents have, and have indicated through petitions and other means, is that as they're paying their way, they don't want to have that interfere with their choice of who is going to take care of them, who's going to feed them and how they want to be done that way.

I think the bylaws in Windsor are a classic example of not enough yet but something that has worked quite well in this city, at least as far as I'm concerned. I can't admit nursing home people or I will be fined. When my people reach nursing home stage, they have to be papered. If they have funds available to hire extra-duty nurses, that's their choice to spend the funds on that.

I do not argue with the fact that we only take care of people to a certain level, but it's not either the public or private nursing homes' fault if the system is backlogged through chronic care, into nursing homes and back on our laps. I've got people who can't get into nursing homes and fortunately most of them have the money to pay for that extra care. It's not that I'm sitting there wanting to run a nursing home, but what am I going to do? Throw these people out on the street?

Mr Jim Wilson: You can't throw them out on the street.

Mrs Sousa: I've been in this business for 15 years and I've seen a definite change in trends. In 1977 our average age was 72 and the people walked in. Now, our average age is 85 because they're getting services in the community. Some of them have been actually ghettoed in their homes with those community services, longer than they should have been. When they come into the facilities, they are much more in need of care. Also, the residents have come through the consumer age. They're smarter people. They want a choice. If they don't want to move to a nursing home, they want to be able to have the choice, if they can, of buying the services from the community in the facility, or from the facility and staying in the lifestyle that they've been accustomed to for maybe four or five years.

Mr Jim Wilson: Well, I appreciate it. I think that's a—

Mr Winchell: Can I just answer your second question, though, about the future? One of the concerns and one of the primary reasons we want to address this committee today is because the power of the—I don't know whether they're going to be coordinators, area managers; call them whatever you want. All I know is that the concern from an information standpoint is that if there is a bias for a not-for-profit system, then will the consumer in fact be given the kind of information at the front end to make an informed choice? So far, I haven't heard one shred of evidence that there will be a broad menu of resources available where people can make an informed choice.

Right now, by the way, and this has been something that is frustrating for us as a small association, the average consumer doesn't know the difference between a nursing home, a retirement home and a home for the aged. To follow up on what Mr Wilson was saying earlier, if you call right now to complain about a retirement home and you call seniors' issues, invariably it's referred to us. We've been working very closely with seniors' affairs before and now seniors' issues in trying to resolve consumer complaints. I can tell you, I deal with them personally on a regular basis. Invariably, it's a complaint about something that has nothing to do with a retirement home; it's a home for the aged, it's a nursing home. People are very confused, which brings us back to our major concern: Is there going to be a concerted effort by this province to inform the consumer about the various products?

Mr Jim Wilson: A very good point.

Mr Wessenger: Could you tell me how many residents there would be in these registered retirement homes in Ontario?

Mr Winchell: Approximately 30,000.

Mr Wessenger: That compares with, shall we say, approximately 60,000 in the nursing homes and homes for the aged.

Mr Winchell: I'm not including in that number, however, the residential care beds in homes for the aged. It might be as high as 36,000 when you include those. Mr Quirt might have a better handle on that.

Mr Wessenger: You indicated that you would prefer to be regulated by legislation?

Mr Winchell: No, I said that our association would like to see consistently enforced province-wide standards.

Mr Wessenger: Wouldn't that be regulation, if the province passed a special act setting out standards for the retirement homes and rest homes? That would be regulation, in effect.

Mr Winchell: I would like to see the province set the standards and the municipalities enforce those standards.

Mr Hope: They'll get mad at us if they do that.

Mr Wessenger: What do you see wrong with the consumer protection model for residents of your homes? For instance, you could have such things as a requirement that registered retirement homes have residents' councils. You could have a bill of rights set in.

Mrs Sousa: We have those now.

Mr Winchell: We absolutely support and endorse all those suggestions. We can't live with the idea of suddenly a single-person commission coming along and looking at everything from a boardinghome to Central Park Lodges and everything in between and deciding that we're not care providers. I can tell you right now that if you go across this province and talk to referral agencies, care coordinators, social workers—and I'm talking about from the not-for-profit side—they recognize the valuable contribution of quality residential care. The problem that I have, and I speak on behalf of the association, is that Dr Lightman has very conveniently used the term "rest home" to roll in everything from a basement boardinghome to a 24-hour, all-inclusive, fully professionally staffed residential care facility.

Mr Anderson: We've had a bill of rights in Central Park Lodges for years. It's right up on the board and it spells things right out. It's very similar to what's proposed. I wouldn't mind those going right across to everybody.

Mr Winchell: Actually, I brought copies of our commitment to resident quality.

Mr Wessenger: Could I just follow up again. I actually am quite familiar in my own community with two very good facilities in the retirement homes area. I'm somewhat familiar with the residents in those facilities as well. You have a placement coordinating agency here. Are people referred to you who are not appropriate for a nursing home? Does that happen too?

Mr Anderson: Yes. We work mostly with Margaret-Ann Prince and the VON primarily, but we take respite care, recuperative care and vacation care. Recuperative can come directly from the hospitals. All the hospitals refer to us. They have a list of people in the residential care sector, and they look at where they think they would be appropriate.

We're lucky here that the people we know in placement coordination, like the VON, know all of us very well, and they've been here a long time. So when they place someone with us, it's usually a good fit. The odd time, we've gone back to her and said, "She might be better over—" if she's, say, Italian-speaking; she might be more comfortable. That's why I wanted to speak here. You're coming to a community that works well with its placement coordination services.

Mr Wessenger: Do you have any idea of the number of your residents who would be receiving some level of care now from community services?

Mr Anderson: From the VON?

Mr Wessenger: Yes, the VON.

Mr Anderson: Probably, on a daily basis, there are about four or five.

Mr Winchell: About 1%?

Mr Anderson: Yes, about 1% of VON coming into the facility.

Mr Wessenger: So it very low level at the moment.

Mr Anderson: And also therapy; there are always four or five on therapy. They come down from Riverview to do their therapy, rather than us, to have them—

Mrs Sousa: And they'll do palliative care too.

Mr Anderson: And they took mobile diagnostics away from us, but that's a whole new argument. We used to be able to have X-rays in our facilities. Now our residents have to pay for an ambulance to go out in the cold, come back—they didn't find it—and go back again. But anyway, Mr Cooke's office and Mr Lessard's got a nice letter from my care coordinator. We're hoping to have it reviewed.

Mr Wessenger: Okay, thank you.

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Ms Carter: I'm concerned with your problem with the Lightman report. My understanding is that Lightman is recommending that normal landlord and tenant requirements should apply to people in rest homes. I would suspect that is, say, more at the sort of lower end of the scale than at a facility like yours, but I was just wondering what your objection to that might be. It seems to me that this is a way of giving people in these homes—even, as I say, at the sort of lower scale—the kinds of rights that we all take for granted.

Mrs Sousa: I think the main objection that we have to Lightman's report is that under the Landlord and Tenant Act, we would have to give our residents 24 hours' notice to access their rooms. For instance, most of the residents who move into our facilities move in there because they have a need. They wouldn't leave their home if they didn't have that. So their safety is in jeopardy by being under the Landlord and Tenant Act.

There are also several recommendations in there that just don't make sense. For instance, I think it's recommendation 100 that states that as long as you're 16 years of age or older and can read and write, you can give medications. Now, that is very—

Ms Carter: So maybe it would need to be a tailored version of the Landlord and Tenant Act, but it does seems to me that there are rights in there that maybe should be specific.

Mr Anderson: It's the wrong act, essentially.

Mrs Sousa: There's nothing wrong with some of his recommendations at all, but as Jim says, it is the wrong act.

Mr Anderson: I think it's the wrong vehicle they're using to get to the right—

Mr Winchell: We're taking a housing act and applying it to a care setting. Our objection is that we are care providers. Dr Lightman has only seen us as accommodation providers. If you look at the implications—we've left copies—of the application of the Landlord and Tenant Act specifically, it is not something that we as care providers could live with. More importantly, it's not something our residents want to live with.

Mrs Sousa: We have had meetings with our resident families and talked to them about this. They are very angry to think that this would be done to them, because they feel their choices are taken away from them if they have to go under the Landlord and Tenant Act and with some of the recommendations that are coming out.

Mr Anderson: The majority of our residents are very with it. I think they're taking some isolated incidents and, like you said, some other types of boarding homes and trying to apply to all of us, which are the vast majority of them. I want my residents to have protection and believe they have protection, and they know they have protection. I know there are some settings where they don't, but the Landlord and Tenant Act is like taking a sledgehammer to a flea. We can maybe look at the areas of problems and mould something that will fit it.

Mr Winchell: Dr Lightman has said from day one that he focused his attention on the minority, small trouble spots.

Ms Carter: Well, that's my impression.

Mr Winchell: As a result, he has taken a housing act and applied it to—we have to remember that the whole reason for Dr Lightman's appointment was after the longest-running inquest into a boarding home, not a retirement home. There's a significant difference, as you well know, Mrs Carter.

Ms Carter: But then I wonder, if the kinds of standards that you're suggesting were brought in, whether it might rule out some of those homes, which would mean that there would be a shortage of accommodation at the lower end of the market.

Mrs Caplan: If I could, I think the point you're making is that those standards would allow for a differentiation

of the type of facility or home, and differentiate between rest home and retirement home and allow you even to define what these different beings are.

Mr White: These are very articulate witnesses, Mrs Caplan. Let them speak for themselves.

The Acting Chair: Order.

Mrs Caplan: Does that not—

Mr Winchell: Absolutely. We're talking about—

The Acting Chair: Perhaps we could wrap this section up, because I do have two more questioners here and we have a group waiting. I'd really appreciate it if we could.

Mr Winchell: Okay. I'd only say that a boarding home provides no care, as opposed to residential care, which is 24-hour professionally staffed.

Mr Anderson: Different levels.

Mr White: First of all, if I could just clarify the issue about not-for-profit and for-profit residential facilities, the minister made it very clear that while there may be a preference for not-for-profit services—that is, community services, VON, Red Cross etc—in this particular situation in regard to nursing homes and homes for the aged, which this act deals with, there is "no attempt to destabilize or disadvantage the existing private sector involvement that presently exists." In fact, the nursing home association came before our committee and spoke very highly of the act, because it actually brings them up in terms of a level playing field.

Mr Winchell: Absolutely.

Mr White: This is a tremendous benefit, really, to the for-profit sector.

Mr Winchell: Not all nursing homes are for-profit, though.

Mr White: No, but the majority of nursing homes are for-profit.

Mr Winchell: For the nursing home sector, it brings it to a level playing field with the funding for homes for the aged. That's really what we're talking about.

Mr White: Yes. The issue, though, I think, that you bring up is very, very good. Central Park Lodges are exceptional facilities in the rest or retirement sphere. There's a continuum, of course. Some of them are not. My friend Mr Lessard speaks very highly of your facility. He runs by it every day.

Mr Anderson: He eats in it regularly.

Mr Lessard: That's why I have to run by it.

Mr White: I'm wondering: You've talked about your efforts to get legislation, to get regulation so that other facilities could be at least comparable to yours, so that you would know that you're in the same kettle as something which is not noxious to you. But you've been frustrated, time and again.

Mr Anderson: We'll go back. Rick went back to the Conservatives. I'll go back to the Liberals. We started lobbying them. I have to point out that I think Dr Lightman was appointed by the Liberals, wasn't he?

Mr Winchell: No, he wasn't; he was appointed by Elaine Ziemba.

Mr Anderson: I think it's crossed all boards. I think it's time that everybody came together on the one issue. I don't think one party or the other can—I think everybody, if there is blame to be laid, including us, has maybe a share.

Mr Winchell: I would just add that we had several years ago, just actually as the Liberals passed the torch over to the NDP, developed a model standard which we have taken to both governments. Copies of it are available here for the committee. That's the type of approach we're talking about that will keep everybody—

Mr White: I think you know this is not the forum for that particular bill, but I hope you press on with it.

Mr Lessard: I want to thank you very much for your presentation. I have the letter from your residents with respect to their comments on the Lightman report. When I was at Central Park Lodge on Sunday, I picked up the residents' perspective on regulation of the retirement homes. I read that when I knew that you were going to be attending here today and tried to figure out how you were going to tie the Lightman report into the long-term care health reform. I want to thank you for being able to clarify that in my mind and, I hope, for the rest of the committee members.

The Acting Chair: Thank you very much. I really appreciate your coming. You certainly got a little bit of lively discussion and your concerns are well taken.

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ESSEX RNA REGIONAL COUNCIL

The Acting Chair: Next is the Essex county RNAs association. We certainly appreciate your patience in waiting quietly back there. Kindly identify yourselves and then begin your presentation.

Mrs Sandra Landgraff: My name's Sandra Landgraff and my colleague is Pierina De Bellis. We're from the Essex RNA Regional Council. Pierina will be helping me to do this submission.

The Essex RNA Regional Council is grateful for the opportunity to express its views about the government's plan for redirecting long-term care services in this province.

As many of you will already know, registered nursing assistants, RNAs, are the second-largest health profession in Ontario after registered nurses. Some 35,000 RNAs are currently registered in the province.

While we work in a variety of settings, RNAs have to be seen as a key health profession in the provision of long-term nursing care, both in the community and in institutions. As our population ages, we expect to see the role of RNAs in long-term care expand when more individuals will require the kind of nursing care RNAs are trained to provide.

We agree that consumers must have access to services which affirm the role of the individual, that greater emphasis must be placed on health promotion and disease prevention, that the social and economic determinants of health must be examined and that services should be delivered

in familiar surroundings and integrated with family and community life. We also believe that services should be fully accessible, fully funded and provided by qualified health care professionals in public and non-profit settings.

It is clear that reduced federal funding has prompted the provincial government to find ways to contain mounting health care costs. RNAs believe there are compelling reasons for the government to engage in a cautious reform of the health care system, so that the services the public has had a legitimate right to expect are enhanced, not eroded or eliminated altogether.

We hope that RNAs and other health care providers will be represented on local planning agencies responsible for long-term care. We believe firsthand knowledge of the system will be helpful in making sure that plans for the future are grounded in reality.

In our view, these governments and the senior bureaucrats in the Ministry of Health and the Ministry of Community and Social Services have wanted to shift resources to the community sector so that underpaid, inadequately trained home care workers would provide services at a lower cost than in the institutional sector, without challenging the real factors driving up the costs of health care: physicians and the large number of highly paid administrators in institutions.

Unless the government ensures otherwise, the ones who will pay for the cost savings are the consumers who will receive lower-quality services and the staff of these community agencies who will be paid much lower than their counterparts in the institutional sector. As it stands, the government's plan will place additional responsibilities on to the families and friends of elderly people and people with disabilities. For a variety of reasons, persons needing services and their families may not request home care services but may prefer some other setting such as a long-term care facility. It is doubtful that individuals' preferences will be protected in the proposed long-term care system.

Unless there are systemic safeguards, we believe that the government's plan will lead to a reduction in the quality of care. Many nursing and personal care services provided by training professionals are not duties which most family members are able to perform in addition to their work outside the home and other demands on their time, such as child care. Families that are ill-equipped to take care of their aging parents may take their anger out on them for these additional responsibilities. As a result, we are concerned that there may be an increase in elder abuse.

The government's plan also appears to be contingent on increasing the use of volunteers. If this is the case, we are deeply concerned that the standard of care will be seriously compromised. Long-term care services must be delivered by people who are trained to provide them, either in a facility or in the home. Unfortunately, many institutions and community agencies take advantage of the goodwill of volunteers to use them as a source of free labour. Instead of viewing volunteers as people who can provide extra personal contact and enriched services, many of our employers see them as a way to cut wage bills by substituting them for paid employees.

For example, since some facilities are short-staffed and the existing staff are usually overworked, administrators have attempted to justify using more volunteers on patient care grounds. Ontarians who need health care services should not be forced to depend on volunteers.

To guarantee quality care, the government must ensure that care providers are properly trained and qualified. Volunteers have a role to play in providing auxiliary services, but should not be used as a pool of free labour in place of experienced and skilled health care workers.

In the government's consultation paper, the issue of support for family care givers is addressed as follows: "One of the key directions in long-term care services for the future is improved support for family care givers." The regional council believes that rather than offering support, the government will be placing greater expectations on women to provide care for family members. The planned changes will likely draw more women into "the sandwich generation," where they will be responsible both for raising their children and caring for the frail elderly.

In today's economic and social reality, the majority of women participate in the labour force. For them to fully take part in society, women cannot be expected to "fill in all the cracks." Yet more than ever they are forced to patch together services needed for their family members, such as child care and home support services. The government says its service coordination agencies will improve the coordination of these services, but we fear SCAs will be biased in favour of care provided by family members rather than outside support.

RNAs are concerned about the apparent exclusion of children with long-term illnesses or disabilities in the scope of long-term review. In many parts of the province, there are very few options appropriate for children with special needs, particularly for multihandicapped youth. There are long waiting lists for spaces in group homes and in long-term facilities in most communities. As a result, parents must travel for hours in order to visit their children.

Ms Pierina De Bellis: We are concerned that the government has accepted the argument that quality services can be delivered cheaper and better by community agencies or private operators. However, Ontario's previous experience with the deinstitutionalization of ex-psychiatric patients in the 1970s was judged largely to be a failure. The motivation for deinstitutionalization was to reduce institutional care costs, although the government promised that community services would develop in tandem to help former patients reintegrate into community life.

There are real dangers that long-term care reform may result in a similar faulty system. If patients are not admitted to or are removed from institutions, the burden of providing this care will be shifted to family and friends, who will not be able to cope with the additional demands placed on them. Our concern is that in an effort to deal with federal funding cuts for health care and the size of the provincial deficit, the government is cutting institutional care budgets before putting the necessary systems in place so that people can be cared for adequately at the community level on a 24-hour basis.

Therefore, we believe a logical option would be in the expanding role of hospital and non-profit homes in the provision of community-based health care. One way to ensure quality home care services is to provide them out of an existing long-term care facility. For example, there is a pilot project at a municipal home for the aged where some employees are charged with providing home care. It enables qualified staff to go to seniors' homes and provide the necessary services such as nursing, dietary etc. This allows seniors to remain at home months or years longer than they might have otherwise. If they become too ill, either temporarily or permanently, to care for themselves, they can then be moved to the home for the aged. This provides a continuum of care and ensures that the services provided are monitored so that their high quality is maintained.

An expansion in community-based care will mean that patients in long-term care facilities will require increasingly heavy levels of care. The government's proposed funding formula recognizes that nursing care for heavy-care patients is greater than for those needing lighter levels of care. However, some accommodation and programming costs under the proposed formula will be fixed. How will the funding formula recognize that these costs also vary according to the levels of care?

For example, persons requiring heavy levels of care usually have special food needs that are more expensive to provide than those on a regular diet. Other accommodation costs such as housekeeping and laundry, as well as programming costs, are higher for heavy-care patients. These additional costs and staffing needs must be recognized in the government's funding scheme.

We strongly oppose the involvement of the private sector in health care delivery. Our fear is that long-term care reform will expand the market for these companies which will result in a greater inability to develop, monitor and enforce standards of care.

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The rapid expansion of the private sector into home care causes us great concern. In 1978-79 the hours provided to Ontario patients were 82% non-profit and 18% commercial. In 1988 the ratio was shifted to 62% non-profit, 38% commercial. At a recent health care conference, it was stated by a member of the Ministry of Health that the ratio is now close to 50-50. Obviously the increase in the commercial sector has been at the expense of the not-for-profit sector, with the private sector growing at an increasing rate during the last 13 years.

The reality is that RNAs already provide much of the nursing care currently available within the long-term care system, both in the community and in institutions. We see the potential for our role to expand in the future as our population ages and as services become more accessible throughout the province.

RNAs need to be working at their full potential in accordance with their skills and training and the systems need to acknowledge that RNAs have the skills necessary to assess and re-evaluate patient needs. They are also competent to provide coordinating services. Unless we design the system so that it takes advantage of the most cost-effective service provider in accordance with their skills and training, the overall cost of our redesigned system will be needlessly high.

The regional council has concerns about the current direction of government's thinking with respect to human resource training and long-term care. For example, the government's report says that new provincial training guidelines will be developed for health care aides so that they will be equipped to work in facilities in the community. We believe that the different settings imply expectations which really require quite different types of training. That's why, for example, there was a specific program developed on guidelines for training RNAs to work in the community.

We believe that before designing an appropriate training program, planners and educators must first decide what functions these workers are going to be asked to perform. We see the work of health care aides as primarily focused on providing assistance with personal care: grooming, dressing, eating and toileting etc.

When it comes to providing long-term within institutions it seems very likely that the average person receiving inpatient care in the future will have more complex needs than is presently the case. This suggests that there will be a need to increase the nursing staff component in long-term facilities. Once again, the most cost-effective provider of nursing care is the RNA and we must ensure that sufficient RNAs are available to staff these positions.

In conclusion, we remind the government that the changes being contemplated will have enormous impact on our medicare system. We believe that it is incumbent on the government to proceed cautiously down the path of reform and that health care workers and consumers must not shoulder the burden of these changes.

The Acting Chair: Thank you very much. Mr Wilson.

Mr Jim Wilson: Thank you very much for your presentation. There are just a few points in there, not surprisingly, I probably don't agree with, but I do agree that health care workers are taking a disproportionate share of the burden and difficulties as the government moves from hospital-based care to community-based care.

I did want to ask you if you specifically have recommendations, particularly when you talk about the direction in which the government is moving and the direction in which, to be fair, previous governments were moving. It is placing greater expectations on women to provide care for family members. I see that in my own community and I see that in my own family, and I could go on at great length with a story about my grandmother recently.

But at the end of the day you find out that even in the best of families there's a real hesitation there to do what might have to be done. If grandma's going to stay in her home longer or in someone else's home, it can boil down in some families that someone has to quit their job and stay home with her, and in the best of families you'll find a great resistance. So the tendency is to ensure that grandmother goes into a nursing home, and I've seen that in my own family, for a number of very good reasons. That is the practicality of it all, the fact that there are two wage earners

in most families now, and there have to be to keep up with the taxes.

Do you want to just sort of give us a feel for what you think we can do in the context of this legislation to alleviate that? Long-term care reform is a reality and the direction the government is going in is a reality. We have an opportunity now, with one piece of that reality, to maybe help alleviate those concerns of family members.

Mrs Landgraff: That's why I believe it's vital that they do have people come in from hospitals, institutions, whatever, to help with the care. You say that the problem right now may boil down to someone having to quit his job while he can hardly afford to keep the family he has on the wages of two wage earners. How do you propose they're ever going to be able manage on one wage?

Another concern is that I know there was mention of paying a family to look after a mother or a father, whatever the case may be. The problem with that is that it's fine if everyone gets along, but I'm sure everyone's aware that there are two members in a marriage. One may not be as pleased with having a parent in the home, and that just causes more problems. The children end up feeling that they're being neglected because the time is being spent with the grandparent.

I also have grave concern because there's no mention that it's 24-hour availability for care. We just came back from a conference and there was grave concern there because a lot of people said they work shifts. What happens at 4 o'clock when you're going to work if there's no service available? I think there has to be something set up.

The way it is right now, if you have all the agencies, you have fragmented care, because you have all these different groups. The problem with that is that because they are outside agencies the government may be paying a good buck to get their services, but unfortunately the person going in to do the service is not getting the good buck. They're getting a quarter of the money that agency is getting. To me, after a while, the people doing the service don't really have their heart in it. It's a job; they go and do it.

Mr Jim Wilson: Is that the main problem you have with the involvement of the private sector in the delivery of home care service?

Mrs Landgraff: Very much so.

Mr Jim Wilson: Inferior wages?

Mrs Landgraff: Inferior wages, but also whether they're well trained.

Mr Jim Wilson: Do RNAs not work in the private sector?

Mrs Landgraff: Some do, yes, but our concern is because the shift they seem to want—bring in the health care aide. I don't understand the government's theory on that one. There's legislation going through that people who do not have a certificate of competency cannot have hands-on care of the patient. Actually if they're in the home, you have to be able to know what you're looking for. If they're just going in to bathe a person, whatever, they may not know what problem to look for.

We have problems right now. We've heard from people who work for public health about people who decide they want to stay in their home. They tell us what the condition in the home is. We're saying, "Why aren't these people put into a nursing home, whatever, if they can't look after themselves?" They're told: "That's their choice. They want to stay in the home. We know we're going to go in one day and find them dead, but that's the way things are and there's nothing we can do about it." We've heard that from RNAs who are working with public health and VON in other areas of the province.

Mr Hope: I've been sitting here trying to figure out—I notice the opposition stayed away from an issue. But if you were saying you're in support of the private sector out there providing health care services, they would be jumping on the bandwagon and saying NDP and everything else.

I'm sitting here trying to phrase a question of how I'm going to ask you. You're saying, "Get the private sector out of the health care system." I noticed you used the words "strongly opposed to the involvement of the private sector." I'm trying to think what a Liberal or a Tory would ask in a question.

Mrs O'Neill: Why don't you ask your own question, Randy?

Mr Hope: Aren't these people taxpayers in the province of Ontario and have the right to be there when the services are not? Aren't you being, how would you say, selective in what government funding goes for? Don't these people pay taxes? Why do you want them out of this sector?

Mrs Landgraff: The problem is that if it's outside of an institution, whatever, how are you going to safeguard the standards of what's going on in that community as well? I have a problem with everything becoming deinstitutionalized, because to be perfectly honest, I feel government, and it doesn't matter what government it is, has discovered that health care is too expensive, and there are more and more elderly and they want it out in the community so that the time can come—because it has been shown that this is not necessarily going to be a cheaper way of going, and we don't have funds for what we have now.

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If we don't have funds for what we have now and we put it out in the community, it's going to cost even more. Then all of a sudden whatever government happens to be in power at the time is going to say, "We can't afford this any more," and it will become totally private and people will have to pay and the whole accessibility will go down the drain.

I've had a major concern about that ever since this whole thing was mentioned. I think it's a good idea if people can stay in the home, but I don't like the business that everything wants to go out to the public sector and then it's expensive so we can't afford it, "Let's cut it," or you're going to have to pay so much to have the service.

Mr Hope: Pretend I'm sitting over on that side trying to come up with these questions, because I notice they're standing away from this, okay?

Mrs Landgraff: It doesn't matter what side it is; I feel any government—

Mr Hope: I support what you're saying, but the thing is, I'm trying to bring some clarification. The only reason you would want probably private out of there is so they can have these big union wages because non-profit and the government—so you can have big union wages and you can run deficits.

Ms De Bellis: That is totally berserk. No, that is not the intention there. We do not want health care to be a bargain, and that's what it's going to be. It's whoever can get the most money.

We're the patient advocates. These poor people are out there and they're just being shipped from hospital and they're being told, "Well, you know, we can take care of you in the home or we can put you in the hospital." If they can stay in the home, fine, but there have to be the services and they have to be able to afford it.

They have to have qualified people to come in. You don't want someone to come in and look at you or to change your catheter or whatever who doesn't even know what he's doing. You want qualified people. You don't want them working for a company that says: "You go out there. You've got 20 minutes or 15 minutes to do the turn. Keep going." That's what health care is today. It's an assembly line.

Mr Hope: I'm going to move to a little bit more around the issue of—I know St Clair College here in Windsor administers the health care aide program that goes on in the city of Chatham, which is my riding. I wonder, when you talk about education, is that the type of education? You know, they have it through the KITAC program, the Kent Industrial Training Association Council, where RNAs and RNs go in and teach the program? Is that the type of education system, accreditation system that you're looking for for people to do services in our community?

Ms De Bellis: Yes. You want them to have a proper program. You don't want them having people come off the street and give them two weeks, or sometimes they get six hours' training, and say: "Adios. Here's your workload. Go to it." You don't want that. You wouldn't want that type of person taking care of your mother or your father or yourself.

That's where you have to base yourself when you're contemplating the reform. Would you want this being done to your mother or to your loved one? No, you wouldn't. You need people who are trained, who know what they're doing.

Mr Larry O'Connor (Durham-York): I wanted to get into a little bit of the fray that my colleague had. Of course, I wanted to look at it from a different point of view. First of all, with your conclusion that we should slow down with the reform, I guess that's one thing that kind of struck me funny, because I know that when I first got elected as an MPP, people kept saying, "Where's the long-term care reform?" and then, of course, it was a long time coming. So we are moving and it's slow.

I guess when we all come to committee we always come with a little bit of a bias from our own ridings. I represent a rural riding, and continuing along the thoughts of the non-profit and the private, in the small, rural towns quite often, in trying to deliver non-profit health care within the community, trying to get maybe people who could be members of the board who would help facilitate taking care of the needs so that we can make sure there's accountability and so that one part of regional government, for example—they seem to focus in on one area and maybe quite often forget about the rural areas that are part of a large regional government.

Could you help with some recommendations that would help in trying to take a look at that deficiency? Because that deficiency is what has led to the growth within the private sector coming into the small rural communities because they've seen a need. You've recognized right in your brief that we expect far too much of the women within our communities. We expect them to do child rearing, we expect them to take care of aged parents and grandparents and we put too much stress on them now. How can we ease that burden and make sure we provide quality care? I ask for a recommendation because it's a difficult and complex situation. As my colleagues across the floor recognize that there's a need for a private sector, I guess that's quite often—

The Acting Chair: That's a fairly lengthy preamble.

Mr Hope: Just like Elinor.

Mr O'Connor: When you take a look at rural areas, then you've got a problem, so—

Mr Jim Wilson: I was kind of enjoying it.

Mrs Caplan: He didn't ask a question.

The Acting Chair: Oh, he asked about six, and I'm not sure which one he wants answered.

Mr O'Connor: The focus would be on recommendations of how we could possibly increase a non-profit sector within a rural community where you don't have the possibility of increasing—

Mr Jim Wilson: They are not only asking the questions; they are answering them.

The Acting Chair: Do you have anything further or do I move on to the next?

Ms De Bellis: Just that we agree with that. There's a major problem with the women because they're the ones who are going to get the brunt of it. In the small rural areas, yes, there is a problem. We have with the community of Essex, even Leamington—they're small communities and the private sector sees there's a need and is just going right in. They're coming into the hospitals. We have agencies that are literally coming in and wanting to take services out of the hospital. They'll come in and they'll do it for you. So they're not only doing it outside; they're trying to get into a hospital. We're going through a reconfiguration process in this city and these guys are coming in. They're coming from the States. They're just coming in and saying: "There's a need there and we can provide it. We're just going to go right in."

Mr Hope: Because it's cheaper.

Ms De Bellis: It is. That's the sad part, but you have to look at the care. Are they providing the care? What's happening?

Mrs O'Neill: I am very happy that you mentioned on page 3 the exclusion of the children with long-term illnesses and disabilities because I do think that issue has to be attended to and has to be attended to very soon. We have a crisis in many communities.

I have a couple of things I'd like you to clarify and then I have a comment. On page 2 you say, "It is doubtful that individual preference will be protected in the proposed long-term care system." Would you tell me why you feel that way? I can't find any reason within your brief that backs that up, although we've had it said by several people. Could you give us your own interpretation of that?

Mrs Landgraff: My feeling is that if someone, a family member, feels his parents should be admitted into a nursing home, an institution, whatever, whatever panel is set up for this whole reform is going to block it. Because it will be expensive, they'll say, "No, I don't feel that's necessary; they can stay in the home," and just try to add another service in to keep them quiet. That's one of my great concerns. As well, I'm concerned for the feeling of the elderly, but I also have, as I said, a great concern that someone is going to be allowed to stay in the home on his own when it is unsafe. Who is going to make that decision of whether a person really cannot manage on his own?

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Mrs O'Neill: Okay. I have another clarification, but I have to comment immediately that I think you're underscoring several people here. First of all, the elderly people, in my mind, have the ability in many cases to be making their own decisions, to be respected and indeed to take risks.

I've just been through that. My father died on January 6. He was in the hospital for three days before he died. I had only non-profit people working with my father and myself, and I don't think there were any real doubts in either his mind or my mind that the care was second to none.

I get very offended, and I am in some of these hearings, when we talk about "putting" people or doing this. I feel you people work in this area and you've got sensitivities, and I don't deny that, but I really do feel that in many cases—you made the statement that, "Well, we go in and find the person dead." That could have happened to my father. That was his wish. He had all his faculties of thinking and I wanted him to have his wish, and I'm not sorry and a geriatric specialist told me after he died that I had made the right decision and I feel she was right. That's personal, but I had to get it on to the record.

In any case, if I may go back, you say also in your brief, "The government says its service coordination agencies will improve the coordination of these services, but we fear SCAs will be biased in favour of care provided by family members." Is that the same comment you want to make to the previous question I asked? Is it the same point?

Ms De Bellis: What's happening now is that we're even looking at the hospital, with the quick response, which is a success. You have to evaluate. You were fortunate with your father. He could stay home; you had the support systems. A lot of communities don't have that. We don't have the VON that's 24-hour care. We don't have the homemaker who's available. We don't have the relief for family. It's not there. The family perhaps could try to manage but there aren't the support systems out there.

What's happening now in the hospital is that some of these elderlies are coming in, and they're not given a choice. It's like, "Okay, you're going back home and this is what you're going to have," and off they go, because they realize, "Well, the doctor said it's okay, and the nurse, and, you know, it's all right." But in actuality, in reality, this person should be assessed as possibly having to stay in hospital. Maybe he needs a rest home.

We're not saying we don't want them in the home. There are some who are fine in the home, if the resources are there. The problem is, we want them to have a choice. We don't want them to go in and hear, "Well, we're shifting into community, so off you go," because that's what's happening now, and it's a fear. It's a grave, grave concern, because a lot of the RNAs who are working out there—both RNs and RNAs and health care aides—are fearful that they're going to find more people going into the home with broken hips, possibly dead, because they're not assessed. It's not because you don't want to assess them, but there's a time factor and, once again, you're in there for 10, 15 minutes and off you go. It's a major concern.

Mrs O'Neill: All right. I think you have your attitude towards that and I have mine. My colleague has a question.

Mrs Caplan: You mentioned a number of things I'd like to just make sure that we understand, that the committee understands your point of view. On your last page, you restate that you believe the most cost-effective provider of service is the one that should be providing the service. What that means to me, on behalf of the taxpayers, is that you agree that there should be value for money and that wherever possible you should use the most cost-effective service.

You also use the term "evaluate," and I guess the question I would ask you is that I'm assuming that you have determined through that evaluation, whether it's outcome review or standard-setting or some process of accreditation or something like total quality management, who can provide the most cost-effective service. That's something you seem comfortable with, to be able to make a statement about wanting to see that you get value for money by having the most cost-effective provider provide the service. Is that an accurate statement of what you believe?

Mrs Landgraff: That's right.

Mrs Caplan: So could I take it the next step and say, from a public policy point of view, if government's looking at the policy of long-term care, then in the question of who should provide the service, if that's what we're asking, we should ask, who can provide the best-quality service at the best price? Is that a reasonable statement of your point of view?

Mrs Landgraff: Yes, but our concern is that the government isn't necessarily going to be concerned about the best quality; it's going to be the cheapest.

Mrs Caplan: All right, but in your notion of the fact that RNAs provide cost-effective service, if you were comfortable that you had built in that accountability, that evaluation, that accreditation, that outcome review, if that were built in and this legislation built in the requirement to have that kind of evaluation, would you then be satisfied with the statement that it is important that we provide the best-quality service at the best price on behalf of the taxpayers of the province?

Mrs Landgraff: Yes, I think it's important.

Mrs Caplan: Then what difference does it make whether it is the commercial sector or the not-for-profit sector if they both have to meet that test? Wouldn't the healthy competition around who can provide the best-quality service at the best price—provided you have the test of evaluation and accountability, why would you care who manages it as long as they meet that test?

Ms De Bellis: I think the past really says it all because you can have the accountability, the public out there. The bottom line is the price—"I'm going to do it better." There's a major concern because in the past the quality of care was not there. That trust has been broken, so you have to rebuild that. That's a major concern for us.

Mrs Caplan: In fact, the studies in health care prove the opposite. Service provided by both the private sector and the public sector is subject to the same standard and outcome review as far as quality of care is concerned. In fact, both have been leaders in the whole total quality of management area. It is more, in my view, a question of making sure that you enshrine that concept to ensure that the taxpayers are getting value for money and that the very best-quality service is being provided at the best price regardless of who manages or what label is on the door, whether it is commercial or public.

Ms De Bellis: Obviously that's your opinion and that's ours. As I said, there have been major concerns.

Mrs Caplan: I understand.

Mrs O'Neill: You shouldn't paint with a wide brush in that—

Mr Hope: Well, you do.

The Acting Chair: Order, please.

Mr Hope: We'll just get the roller out and roll it.

The Acting Chair: Looking at the hour, I think everyone is—

Mrs O'Neill: —everywhere and anywhere. I'm very offended that health care workers would do that to other health care workers. I'm sorry, because I've had some very different experiences, very different.

Ms De Bellis: Once again, that's your opinion.

Mrs O'Neill: That's my experience.

The Acting Chair: I think that's the idea of hearings, to get all opinions. I thank you for coming before the committee tonight. I thank you also for waiting because you did have an extra-long wait. Thank you very much.

There will be a short subcommittee meeting, if I could have the representatives, please.

Mr O'Connor: Is ReliaCare coming?

The Acting Chair: No, they are not coming. We'll stand adjourned until 9 o'clock tomorrow morning at this very place. I thank everyone for their attendance.

The committee adjourned at 2039.

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STANDING COMMITTEE ON SOCIAL DEVELOPMENT

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Wilson, Gary (Kingston and The Islands/Kingston et Les Îles ND)
*Wilson, Jim (Simcoe West/-Ouest PC)
Witmer, Elizabeth (Waterloo North/-Nord PC)

*In attendance / présents

Substitutions present / Membres remplaçants présents:
Caplan, Elinor (Oriole L) for Mr Daigeler
Carter, Jenny (Peterborough ND) for Mrs Mathyssen
Hope, Randy R. (Chatham-Kent ND) for Mr Drainville
Lessard, Wayne (Windsor-Walkerville ND) for Mr Gary Wilson
O'Connor, Larry (Durham-York ND) for Mr Owens
Wessenger, Paul (Simcoe Centre ND) for Mr Martin

Also taking part / Autres participants et participantes:
Quirt, Geoffrey, acting executive director, joint long term care division, Ministry of Health and Ministry of Community and Social Services
Wessenger, Paul, parliamentary assistant to the Minister of Health

Clerk / Greffier: Arnott, Douglas

Staff / Personnel: Drummond, Alison, research officer, Legislative Research Service

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Second Intersession, 35th Parliament

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Wednesday 17 February 1993

Standing committee on social development

Long Term Care Statute Law Amendment Act, 1993

Chair: Charles Beer
Clerk: Douglas Arnott

Assemblée législative de l'Ontario

Deuxième intersession, 35e législature

Journal des débats (Hansard)

Mercredi 17 février 1993

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Loi de 1993 modifiant des lois en ce qui concerne les soins de longue durée

Président : Charles Beer
Greffier : Douglas Arnott

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LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON SOCIAL DEVELOPMENT

Wednesday 17 February 1993

The committee met at 0904 in the Cleary International Centre, Windsor.

LONG TERM CARE STATUTE LAW AMENDMENT ACT, 1993

LOI DE 1993 MODIFIANT DES LOIS EN CE QUI CONCERNE LES SOINS DE LONGUE DURÉE

Consideration of Bill 101, An Act to amend certain Acts concerning Long Term Care / Loi modifiant certaines lois en ce qui concerne les soins de longue durée.

The Acting Chair (Mrs Joan Fawcett): I would like to begin the hearings of the standing committee on social development. We are dealing with Bill 101, An Act to amend certain Acts concerning Long Term Care.

LEAMINGTON MENNONITE HOME AND APARTMENTS

The Acting Chair: I'd like to welcome everybody here this morning, and because we would like to keep as tight to the schedule as possible, could we have the Leamington Mennonite Home and Apartments representatives come forward, please. Take your seats at the table and welcome, and maybe you could identify yourselves.

Mrs Jean Marie Drummond: I'm Jean Marie Drummond. I'm the administrator at the Leamington Mennonite Home and Apartments in Leamington.

The Acting Chair: Welcome. You may begin.

Mrs Drummond: Thank you. Welcome to the sun parlour. I know you didn't have to travel as far as I did on our county roads today.

I appreciate the opportunity to come before you to give my concerns as an administrator and the concerns of my board of management of our home and apartments regarding Bill 101. We fully support your bill, by the way. It's long overdue for change in the long-term care system.

I just want to give you a little bit of background about my home so you understand where we're coming from. Our home is a home for the aged. It was built in 1965 by four United Mennonite churches. The churches in the Mennonite community, which is a large community in the Leamington area, fully support and assist in the operation of our home. We have 72 beds and approximately 54% of our residents are of the United Mennonite religion and over 80% of our residents speak German. The administrator doesn't. Even though she's taking lessons, it's nicht gut.

Our meals, programs, services are all influenced by the German culture and the Mennonite religion. We have a very strong religious influence in our home, something that for many persons is the very reason they seek entry into our home. We also have a continuum of care, 54 apartments, 27 town houses and 43 condominiums, all for the elderly, all onsite, and many services go to them from our home.

We're a community. We encourage independence, which is right in line with what you're doing, and we assist them to stay in their own apartment/town house for as long as possible by helping them get the community services that are so badly needed and providing some of the services right from our home. It's a natural progression and many times, no matter how much community/home support we give, institutionalization will always be there. They will have to eventually come to our home.

One of the concerns we have is choice. Our home is very privileged, I think, in our county. We're known for our Christian influence and our very good nursing care, and when I ask people why they want to come to our home, that's why. So as you can see, I get many Mennonite and non-Mennonite applying. We're in very, very high demand and because of the unique linguistic characteristic of our home, the German-speaking community in the county, and indeed two counties—Kent county—seek to get into our home. Our community call it "our home."

We'd like to see the legislation strengthened in the aspect of choice, to be made a bit more explicit. My people are very frightened, as is our board, the whole Mennonite community and the four churches, that they will want to come into their home and they won't be able to get in, that they will be sent to another home.

There's a lot to leave at stake with PCS. I have met with them. I get along very well with them. We have an extremely good working relationship and we haven't run into problems, but this is too important for us to leave on an informal, friendly-type basis as far as getting people into our home and having their choice recognized is concerned.

Along the line of choice—something I ran into just yesterday—we need to look at couples. I have several on my list and I have one I'm working with now. In many cases, only one of the couple requires institutionalization. The remaining spouse, under the new legislation, probably will not fit the definition of "extended care," "continuing care," or "long-term care," whatever you want, to come into our home. The last thing I want to do is break up a 65-year-old marriage, and I have many of those.

I'm working with a 98-year-old to come into my home. He has to. His 96-year-old wife is quite healthy and can manage very well in an apartment and does not meet any of the current requirements to come into the home. I could bring her in as residential—I'm still a home for the aged—but under the new legislation, she wouldn't be able to come. I really think this needs to be addressed. I see a lot of it. The choice has to be available to them.

0910

In working with the elderly and trying to keep them in their apartments, we notice that in many cases—I see it a

lot; perhaps it's the unique culture of my people—they really can't cope with a lot of outsiders coming into their home. I've had many come to me and say: "That's it. I've got to come in." I've got six people coming in. I don't want them in. I arranged for VON support or whatever. No, they don't want it. They want to come into the home. They're done. They've made up their minds.

Again, we need some explicit wording on the choice, to make sure they have that choice. Maybe they don't want home care. They don't want to be in their home. They'd rather come to the home and get that holistic care under one roof. I see that a lot in my experience in our home.

Our second concern relates to admissions and choice, but again it's the home's choice. I've seen the draft grounds for refusal, three of them. I come from a long background of acute care and, believe me, those kinds of people on ventilators, epidural anaesthesia and with need for on-site surgery wouldn't even be on an acute floor. They would probably be in an ICU. That needs a lot of work.

The home needs to have some choice too. There's an awful lot of leeway currently in these draft standards that I have seen. There are many reasons why I believe a home can legitimately be able to refuse an admission. It's imperative, and we are doing it. We do our own pre-admission assessment. We have the papers from the VON, and they're right on, but you've got to look at that person, talk to him, talk to his family and see how the fit is going to be. This is an important fit, because we're not talking about a two-week stay with us or even a two-month one. It could work out to a three-year or longer stay, and that fit's very important.

There are many things about our home—our physical environment, the way the home is laid out, indeed the very bed that is available—that can affect whether or not a certain person, whether it be their problems or whatever, should indeed come into our home. I urge a very quick appeal process for the home should the opportunity occur that probably the person is not suitable for a particular home.

The one other concern my board and I have is the proposed system of inspections. Again, coming from acute care, I guess I'm not used to such rigorous inspection put right into legislation. I am very used to accountability, though, and I take that accountability and most of my peers in the homes as well take this accountability very seriously.

I tend to look at the accreditation system, and I would like the committee or whatever to look at your inspection proposals vis-à-vis this accreditation. It's almost a doubling of effort. I'd rather see you make accreditation mandatory than have another system piled on top of it. The standards set by accreditation would indeed ensure a very good level of quality of life and care to the people in our homes, and I only see superimposing a second system as producing a larger bureaucracy. My board call it red tape.

As I say, I do favour accountability, but I'm afraid of the duplication. It can be cumbersome and it can be costly, costly for our ministry and very costly to the homes as well. So I really would encourage you to look at that. There are other methods of ensuring accountability, and inspections need to be rethought.

Lastly, as an administrator, if I didn't hint at funding, the rest of them would probably hang me. I'd like to see there be a link between funding and quality of care. If we are obligated to provide a certain level of care, please ensure somehow, somewhere the funding is put in for us.

The greatest example I see now is that of staff education. It's been years since my staff have seen an IV, let alone feeding tubes that soon, we understand, will be commonplace in homes. We're not afraid of it but we have to plan ongoing, continuing education and that is a very costly venture, especially for a home like ours and other homes indeed. It will be costly. I know Bill 101 addresses staff education in a very minor way, but we'd like to see funding attached.

We are a non-profit, charitable home. We belong to the Ontario Association of Non-Profit Homes and Services for Seniors; I'm sure you've been bombarded by the OANHSS people. I encourage you to listen to their concerns, as they do speak for us and we do support them. That's all I have. I thank you very much for listening to me.

The Acting Chair: Thank you very much for your presentation. You've hit on a number of points, I'm sure they've sparked some questions and I hope you will stay to answer a few questions if the committee has some.

Mrs Drummond: That would be fine.

The Acting Chair: Thank you. Mr Wessenger first.

Mr Paul Wessenger (Simcoe Centre): Thank you very much for your presentation. With respect to the matter of consumer choice, I'd just like to assure you that it's certainly an underlying principle with respect to the whole question of health care reform, that consumer choice underlie that aspect. Certainly it's the intention with respect to this legislation that consumer choice be recognized in the whole process of placement. I mean, it's an underlying principle. I'd just like to assure you of that, and certainly we are looking to see if there is any way we can make it clearer.

With respect to the matter of the point you raise concerning staff education, certainly expenditures on staff education will be recognized as a legitimate expenditure with respect to the funding formula. I just wanted to assure you on that.

With respect to the question of inspection, I'd just like to ask you the first question. Under the existing system, do you have any problem with the way the compliance system works with respect to your home?

Mrs Drummond: We have the compliance system within the homes for the aged. I have no problem with that. I guess we don't have inspectors coming in and some of what I guess I see as red tape. I think it's very important that the local ministry office, the regional office and its program supervisors work very closely with the homes. That's very important. We've enjoyed that at our home, so I am very comfortable with that.

Mr Wessenger: Yes, because I understand the intention is to continue that process of working on a consultative approach to try to improve quality management.

Mrs Drummond: I would hope so. In reading some of the draft standards I had some doubts—I guess the very

words "inspection" and "inspectors" and I have visions of rafts of people. It's quite a bureaucracy to inspect.

Mr Wessenger: I think unfortunately sometimes legislation creates the wrong impressions.

Mrs Drummond: I would hope so. I'm comfortable with our consultative process that we have currently in the home.

Mr Wessenger: I'm assured that is certainly the way the process is going to continue as it is with respect to trying to work with the homes on a consultative—

Mrs Drummond: Good, thank you. That's very important.

Mr Wessenger: The last point is that I'm very pleased to hear you have this sort of situation of your seniors' apartments and your home for the aged on one—because I think that's an excellent combination. I just want to ask you, have you considered perhaps applying for supportive housing with respect to your additional—

Mrs Drummond: Yes, I just started working last week with our area office to do some work on starting a needs assessment and getting the whole ball rolling for that.

Mr Wessenger: I think that would help with respect to your couple situation. If you had that supportive housing, it would allow greater flexibility in meeting—

Mrs Drummond: We would hope so. We're going for that. As I say, with our continuum again in the choice, it's very natural. If they've lived with us for 10 years, they don't want to go to another home; ours they're used to. They're spending much of their time there with our activities, our church services, so they expect the continuum. They don't even dream of going anywhere else and that's where the choice really comes in for my people on this continuum.

0920

The Acting Chair: Mr Hope, just very quickly.

Mr Randy R. Hope (Chatham-Kent): I know in the Leamington-Wheatley area, around the Mennonite community itself, there are different cultural aspects and some are still stuck with the old traditional and some are moving in the more advanced. How are you coping with that as far as what you're trying to do?

Mrs Drummond: Most of my Mennonites are of the United Mennonite faith. The other group that is in our area is the Old Colony Mennonite, the Mexican Mennonite group. Coping with it is really no problem. They want to come to our home for the religious aspects, and really their religion is very different from the United Mennonite, and the language. Even though they speak Plattdeutsch, my staff understand it and quite a few of my Mennonite residents understand Low German versus High German. I have three in now, and maybe another four on my urgent list. There hasn't been a big push from that particular group at this time, and maybe there are some other ramifications that we aren't aware of with our experience.

Mr Hope: I was just curious because I've dealt with the community itself on that whole issue.

Mrs Drummond: Yes. It's mainly the German and the cultural. Our food is very similar to many of the dishes they are already familiar with.

Mrs Elinor Caplan (Oriole): Thank you for an excellent presentation. The themes of concerns that you have regarding choice, the lack of multicultural sensitivity in this piece of legislation and your concerns about the adversarial inspection model the bill contains are something that we've heard from a number of deputants.

You've heard some, I think, assuring words from the parliamentary assistant. While that's all well and good, I'd like to suggest that you can't take Hansard to court with you when you're dealing with legislation. Because Bill 101 will become a law and it will be interpreted ultimately within the courts if there are problems, hopefully we'll have amendments put forward by either the government or the opposition parties to deal with precisely the kinds of concerns that you have.

I'd like to ask you a couple of questions on the kinds of amendments you'd like to see to this legislation that would give you comfort that your concerns have been addressed. I guess one is on the area of choice. Would you like to see an amendment in this legislation that required in the admission criteria or the assessment process the multicultural sensitivity or religious requirements of the applicant?

Mrs Drummond: Definitely.

Mrs Caplan: The second was on the issue of couples, that it also, perhaps as part of the assessment criteria, look at the needs of families or couples to remain together.

Mrs Drummond: Definitely.

Mrs Caplan: On the accountability question, the inspection question, I've heard you say that you'd like to see an amendment that would make mandatory accreditation.

Mrs Drummond: I know that philosophy of accreditation is a voluntary thing and I'm very familiar with the accreditation system. But, yes, don't reinvent the wheel.

Mrs Caplan: Would it be an accreditation of both management and program?

Mrs Drummond: It should be, yes.

Mrs Caplan: As well you talked about—perhaps you didn't; it might have been someone else. Rather than the inspection model with inspectors and that sort of labour-management adversarial kind of model, perhaps based on an outmoded ideology, the suggestion has been that you would make mandatory a kind of quality management or continuous improvement program in the statute.

Mrs Drummond: That, to me, is an expectation as an administrator. To me, the adversarial system of inspections is far outdated.

Mrs Caplan: You'd be comfortable with an amendment that required that kind of continuous improvement approach to quality built in by statute as a program requirement.

Mrs Drummond: Yes.

Mrs Caplan: Again, I hope we will see some of these things either brought forward by the government or accepted by the government as they are proposed by the opposition

because, as I said, you can't take the Hansard to court on good intentions. Lawmaking is not about good intentions; it's about what the law actually will say. I appreciate your coming forward and I appreciate your advice.

Mrs Drummond: Thank you very much.

Mr Jim Wilson (Simcoe West): Thank you, Mrs Drummond, for an excellent presentation. I won't repeat what my colleagues have said in terms of summarizing some of the points you made. I just want to clarify. You've seen the draft manual with regard to the very limited circumstances in which a facility can refuse a placement. In layman's terms I would say, in looking at the four criteria, that they're just very medical, and you said in your presentation that in fact these people would belong in a hospital ward.

Mrs Drummond: Oh, definitely.

Mr Jim Wilson: I gather you're implying that the ministry is certainly aware that the grounds for refusal, as outlined in the draft manual, would effectively not give a right of refusal to the facilities. Would that be your opinion?

Mrs Drummond: That's what I would like to have, the right of refusal, some choice.

Mr Jim Wilson: On what grounds should we give a facility that right?

Mrs Drummond: Oh, boy, I could sit down and work on it with you. You have to be in the home, to understand the flavour of the home. As I say, even your physical environment—homes are all built differently, the type of people you have in your home. There must be a fit. I would hate to see such a thing abused that you pick and choose for other means than proper good quality care for the person coming in. You should never take anybody in if you cannot give them the care they deserve to have. Then it's up to the administrator or whomever to prove why they can't do it. And, please, we are professionals. We are highly accountable for every bit of care given in our home. If, for instance, I felt I could not give the care, I would sit down with whomever it was and explain my reasons. I would hope they'd be agreed with. That's the kind of choice we need.

Mr Jim Wilson: So we have to try and ensure that the opinion and professional view of the administrator is taken into account through the placement service.

Mrs Drummond: Yes.

Mr Jim Wilson: Okay, that could be a little difficult to draft into legalese.

Mrs Drummond: I know. As I say, it's too important an issue to be black and white. I guess when I read it over and saw the exemptions I thought, what if my grandfather was still here—and he was raised with a horse and buggy—and two days right after the horse and buggy came the Concorde. When you look at it now what we're allowed to care for—I mean, no oxygen or other things and all of a sudden we're going to get everything but. That's time warp.

Mr Jim Wilson: Yes, especially if you say the staff haven't had the opportunity for training for many years.

Mrs Drummond: No, they haven't.

Mr Jim Wilson: In fact I got a letter from a constituent of mine. The operator of her nursing home—actually, no, the home had just been taken over by the municipality so it became a charitable home for the aged or a municipal home for the aged—had made it very clear that staff will have to pay for their own training. At least that was what was expressed and I brought it to this committee at the first opportunity.

Mrs Drummond: Scary.

Mr Jim Wilson: It is scary and in the long run it'll be the residents that suffer in terms of not receiving quality of care, if you get more than the Hansard assurance that there will be some funding available to upgrade staff skills. Just as Mrs Caplan said, it's difficult to take Hansard to court although the court does look at the intention of legislation, but you'll spend a couple of years doing that.

Mrs Drummond: A lot of intentions lost, or what is paved with good intentions.

Mr Jim Wilson: The court also takes into consideration the credibility of the government giving those intentions. I just thought we'd get things lively this morning.

Mr Hope: Past practice must have proved it, right?

Mrs Drummond: I guess many things in your legislation are very explicit, but some of the other things are too valuable and too important to leave to informal systems or intentions. So if certain things are going to be explicit, I think other things really need to be developed.

0930

Mr Jim Wilson: Just in summary, we share your concerns, because so much is left up to the regulations, and of course regulations are made behind closed doors and through the cabinet process.

Mrs Drummond: Yes.

Mr Jim Wilson: We'll take your concerns into account and try to introduce amendments to help you out.

Mrs Drummond: I appreciate it.

The Acting Chair: The staff would like to clarify something.

Mr Wessenger: I'd like to have some clarification because I think perhaps it may be an incorrect impression that I'm giving to you with respect to one item. I'll ask staff to clarify that.

Mr Geoffrey Quirt: On the issue of the reasons a facility could have to refuse admission, I think you referred to four examples of particular treatments that appear in the program manual. Those were four examples of procedures that would not happen in any nursing home or home for the aged in the province. The attempt was made to clarify the scope of the nursing program that should be available in nursing homes and homes for the aged. Those were four examples of things that we're not expecting would ever happen in a nursing home or home for the aged.

In terms of the scope of the nursing program that we had hoped to deliver, the rule of thumb or our guideline is that we'd like to see the same range of services available in a nursing home and a home for the aged that a visiting

nurse now can do in a person's own home. That's our guideline.

Mrs Drummond: I'm sorry, Geoff. You're saying that our scope of practice of nursing in our homes will be the same as what they're able to give in the community?

Mr Quirt: Yes. Things like intravenous pain control, in-dwelling catheters or pressurized oxygen are all things that it is possible to deliver in people's own homes through good PCS.

Mrs Drummond: Good. I would expect too that there will be things that we can do in our home that they can't do in the community.

Mr Quirt: Yes. We'd be happy to see you do that, but I was simply pointing out that our expectation is not that all of a sudden nursing homes and homes for the aged become acute care hospitals. What we're trying to do is catch up to the progress that's taking place in nursing with the technology and so on, progress that our legislation and policy hasn't kept pace with.

The reasons that will be prescribed in regulation that a home can have for refusing an admission would be practical reasons similar to the reasons you've alluded to this morning. For example, if a resident were to need a particular service or therapy that the home staff were yet to be trained in or couldn't provide, that would be a legitimate reason why a home could refuse admission.

Another example might be that a resident had a cognitive impairment and needed a special environment, a secure environment perhaps, and the home wasn't prepared to provide that. It's certainly our hope, and I suspect your experience would bear this out, that our placement coordinators would not refer somebody who couldn't be appropriately cared for and that the placement coordinator would understand what the facility could provide.

Mrs Drummond: First, I would hope so. We're fortunate. We have a good PSC and I work well with them, but that may not be true in all cases. We can't use that experience. Again, with the examples, I'm sorry, but with my 20-some-odd years in acute care, the examples given are not to me appropriate because you would not find those things on an acute care floor of a hospital. Ventilators? The training required, that's an ICU nurse's job. You're talking epidural anaesthesia; again, a delegated medical act.

Those are examples that might be more appropriate in acute care legislation to say that these are the kinds of things the nurse won't see on the normal floor, let alone in our homes, which are still back in the ages of no oxygen, and catheters send people into orbit. Those are common nursing procedures. Again, it explains how outdated some of our current standards and things are, but as I say, let's not go from the horse and buggy to the Concorde, especially in legislation.

The Acting Chair: Mr Wilson and then Mrs Caplan. Very briefly, please, because we're over time now.

Mr Jim Wilson: I'm just wondering if Mr Quirt—I appreciate his comments, but what if through the process of give and take in drafting the service agreements over the years, the government sort of notches up each time what services and level of care and medical procedures are to be done in that home? I think there's some suspicion out there that with the closure of hospital beds and people moving out of the hospital sector, they have to go somewhere and that, yes, at some point our homes may be required to give a level of care that's currently being done in the hospital and probably more appropriately should be done in a hospital setting. At the same time, the funding isn't adequately flowing to the nursing homes to keep up with Big Brother's expectations of what they should be doing.

I sort of see a cycle, a worry here in terms of you've got service agreements. If they're breached, you're in trouble. What if you can't meet your service agreements because the funding isn't assured?

Mr Wessenger: Do you want me to—

Mr Quirt: It's up to you.

Mr Wessenger: Perhaps I'll start out and let Geoff add. My perception would be that when you negotiate a service agreement, you're looking at the existing services that can be provided in an institution. It is a negotiated agreement between the ministry and the institution. Of course, in any negotiation, obviously the salient points are going to be raised by the institution about what services can be delivered and which ones can't. I'm just looking at it purely as a lawyer, from a legal point of view, and it would seem to me that since it is a negotiated agreement and the service requirements are set out in the schedules to the agreement, they're negotiable.

It would not make sense to impose on an institution a requirement to provide services it's not equipped to do. That's just general. I'll see if Geoff wants—

Mr Jim Wilson: Just to quickly add to that—

The Acting Chair: You asked for one question.

Mr Jim Wilson: What if the placement coordinator has people on his list who really need care that's currently being done in the hospital? Isn't that putting pressure on the homes that must accept these residents for levels of care that they perhaps can't provide? We know that the annual reviews are some time later, and the funding may not catch up, that sort of thing.

Mr Wessenger: I'll let staff just add to it.

Mr Quirt: I think you've raised a very good point there. Certainly, if placement coordinators have people on their list who require hospital care, that's the facility to which they should refer that resident.

We have a bit of problem in Ontario now, a bit of an embarrassing problem, in that sometimes placement coordinators have people on their list and they have two choices: If they need pressurized oxygen or catheter care, they can send the client to a hospital to get that service, or they can send the client home to his or her own bedroom. They can't send them to a nursing home and home for the aged. We've been criticized in Ontario for the fact that you can get more sophisticated nursing care in your living room than you can in any nursing home or home for the aged.

That's the problem we're trying to address by catching up to what's possible on a visitation basis in health care delivery in the community, so that each of our homes for the aged and nursing homes can meet that standard. The

message we get back from qualified nurses in our nursing homes and homes for the aged is that they're quite able to do what their colleagues do in the community.

The Acting Chair: Ms Caplan, could you put your question, and then perhaps it can be answered so that we can get on with the next—

Mrs Caplan: Yes, one question, because it is supplementary to the discussion that we've been having: On your question of the reasons for refusal, would you be more comfortable if there was an amendment to this legislation that said the institutions or the nursing home, the long-term care facility, whatever, had the right to refuse admission on the grounds that they were not able to provide appropriate care, and then by regulation "appropriate care" could be defined, which would allow keeping up with new technologies and changes and so forth, but it would be very clear that you would then be able to make your case and that that would also then be able to be appealed?

Mrs Drummond: Yes, that right is very important, and I have no problem with an appeal process for that.

Mrs Caplan: So you'd like to see an amendment to the legislation along those lines?

Mrs Drummond: Yes.

0940

The Acting Chair: I thank you very much. You've obviously sparked a lot of comments and questions and I thank you for your presentation.

Mrs Drummond: Thank you, and good luck.

Mrs Caplan: So will you do it?

Mr Wessenger: I think we all have to remember that we have to get our best legal advice.

Mr Hope: You must have had a lot of sleep last night, Elinor. You're right on the ball this morning.

Mr Jim Wilson: Could I just ask a point of clarification while we're waiting for the next presenter? I appreciate Mr Quirt's comments in clarifying for myself and the public what the intention is, but I guess my problem is, and it's more to the parliamentary assistant, that in my experience in my own area we're getting fewer RNs in the home; they're having to cut back. There is a ratio that's required, but I've an aunt who's the head of nursing in a particular home for the aged in my riding and she's having to supervise more and more aides, as it were. The problem is, I think, that the current trend, with fewer and fewer RNs in the home, flies in the face of what this legislation is trying to do. How is the government reconciling that?

The Acting Chair: I would like you to take that under consideration, please, and answer that at some other time.

Mrs Yvonne O'Neill (Ottawa-Rideau): That is a very important question. Let's not forget that.

Mr Jim Wilson: We're supposed to inquire about things. We are not robots.

The Acting Chair: I'm sure they will take it under consideration and provide an answer.

Mr Hope: We have a week of clause-by-clause.

Mr Jim Wilson: That is not what clause-by-clause is for.

VILLA MARIA HOME FOR THE AGED

The Acting Chair: The next group is the Villa Maria Home for the Aged representatives, if they would come forward, please. Welcome to the committee. I would ask you to make your presentation now. Identify yourselves, please, for Hansard.

Mr John Malette: Thank you very much. I wish to thank the committee for allowing me to make this presentation here this morning. We're all very busy—

Mr Wayne Lessard (Windsor-Walkerville): Would you introduce yourselves?

Mr Malette: That's in my report. I'm going to get to that shortly.

My name is John Malette and with me is Mr George Leaman, administrator of the Villa Maria Home for the Aged. I am at present the vice-chairperson elect for the Religious Hospitallers of St Joseph Health Centre of Windsor which includes Hotel-Dieu Hospital and Villa Maria Home for the Aged. I am also the vice-chairman of the long-term care committee of that board. I have served on the latter committee for four years now.

I first became interested in assisting at the Villa when some of my family members were admitted as residents. I offered my services four years ago, and fortunately for myself I became involved. I have no medical training to speak of. I am merely an interested and concerned citizen of this community and province.

Hotel Dieu Hospital in Windsor operates 57 chronic care beds. Villa Maria operates 129 beds, of which 57 are extended care and 63 residential care. Of the 63 residential care residents, 14 have extended care certificates. Our budget for Villa Maria is just over $3 million at present with the residents paying approximately 62% of these expenses.

The home has offered residential services for seniors since 1944 and from our present structure since 1956. Although we have attempted to modernize the design of this building, unfortunately it does not optimally serve the disabilities of today's frail elderly.

My brief presentation this morning will raise several points regarding Bill 101 under three main headings: (1) choice, (2) governance and (3) funding.

First, choice: We welcome the consistencies that will flow from a single placement coordination service. For some time now we have enjoyed this service under the capable leadership of the Victorian Order of Nurses. They control the master waiting list, but each of the facilities maintains its own list. In accordance with the new legislation, it does not appear that we will be permitted to do so post-Bill 101. The VON presently provides this excellent placement service for nursing homes, homes for the aged and rest homes within our community.

We currently have no details, but it would appear that the consumer may not be admitted to the facility of his or her first choice. Consequently, we wonder if the system can be developed and implemented where choice would carry a high weighting value on the criteria list. Also, if the

placement officer recommends admission other than the client's first choice, could that decision be appealed?

We are a Roman Catholic-owned facility in a community that has a high proportion of members of that faith. Consequently, we therefore are a popular choice among seniors, and we anticipate that this will continue. We're asking you, can the element of choice be accommodated?

From a facility point of view, Bill 101 is not clear on an appeal process should we not agree with the placement decision. Under a case-mix index system, it is extremely important that we maintain a consistent mix of light-, medium- and heavy-care residents. Since the funding matches the CMI review only yearly, this mix becomes pivotal to our existence. We must be able to appeal decisions.

In regard to governance, Bill 101 makes very little reference to our boards. If some of the accountability principles from the accreditation process could be incorporated into Bill 101, the inspection format could be significantly minimized. A local community board, as is ours, has a built-in accountability factor through our bylaws and committee structure. In fact, we recently convened a board retreat and some of our attention focused on the issue of public accountability. We are going to address many of these issues in the months to come.

In the for-profit nursing homes, the same accountability could be accomplished with the use of community advisory councils. We also refer to the board's built-in ability to monitor quality assurance programs. At Villa Maria we have embarked on a formal, continuous quality improvement program with the health centre. Such programs are formally tracked by a quality assurance risk management committee of the board. Rather than have inspectors monitor this action, simply legislate it into the board's responsibilities. The villa will also be surveyed and receive accreditation from the Canadian Council on Health Facilities Accreditation.

The bureaucratic inspection system, in our estimation, carries a high dollar cost, which we feel should be spent on direct care. The whole concept of inspection, in our opinion, carries a negative connotation. Early in a section of the draft program and services manual, the writer states, "A service agreement benefits all three parties that have an interest in it, when both the provider and the government focus on the spirit and intent of the agreement." The writer then goes on to state what the provider may do, shall do, shall not do, will submit, will retain, shall adhere, will not assign, and when the provider does not, the government will impose sanctions. He then includes in the indemnification clause that, "The provider will indemnify and save harmless Ontario from all costs, losses, damages, judgements," and on and on.

It's our opinion that the province is forcing facilities such as ours to be fully accountable for our actions or lack thereof, but province fails to accept any responsibility. Yet they are the body that wrote the standards they cannot necessarily match with funding.

0950

This brings us to category 3, funding. We recognize the government's current economic position, and we realize the implications for its citizens. We only hope that the government realizes our plight. For the past 10 years we have principally operated within our means, even when we at Villa Maria had a disproportionate number of extended care residents in our care, where we received only residential funding. We have enjoyed small surpluses and small deficits except in recent years, when there were significant arbitrated wage wars. We have attempted to adhere to the general budgeting guidelines imposed by our government. We are not extravagant but pay a competitive wage for our industry. Villa Maria tends to the needs of the whole person: social, emotional and spiritual as well as the basic nursing and nutritional needs.

The government must be constantly aware that with the emphasis on in-home support services, more pressure will be exerted on facility-based care for persons who are currently in chronic units. Unless there's a lot more money available to us than we think, the standards in the draft copy of the program and services manual seem unattainable. It calls for additional professional staff such as a social worker, registered dietitian, a licensed food supervisor daily, licensed occupational therapist or physical therapist, a staff educator and, in our case, a doubling of our current housekeeping staff. Until our case mix index is known, the nursing staff patterns are also unknown, but we fear that standard may be excessive as well.

Much to our surprise, the Workers' Compensation Board recently informed us unilaterally and without consultation that we will now be responsible for the premiums for students in training and possibly also volunteers.

Finally, capital funding that is fair to both the for-profit and the non-profit sectors must be clarified. A partial source should be a clearly defined preferred-accommodation clause inserted in the regulations.

In conclusion, ladies and gentlemen, we have an opportunity now to correct past funding inadequacies to the long-term care industry. Minister Lankin has expressed on numerous occasions, as have other MPPs and ministry staff, that we are designing a system to meet the care needs of the client. We strongly suggest that the standards you are establishing cannot be met with a per diem of $90. If you truly want the needs of the frail elderly met, you must reallocate additional resources to our industry. I can assure you of one thing: If the government provides funding to meet the actual costs of care, Villa Maria will commit to meeting the government's minimum standards and more. We can do it.

This concludes our presentation. I wish to thank the committee for its attentiveness and would be pleased to answer any questions you may have.

The Acting Chair: Thank you very much. We'll begin the questioning with Mrs O'Neill.

Mrs O'Neill: Thank you very much for a very practical brief. You've brought the details to the surface, and I think that's very helpful. The program service manual you've examined very closely. I find that very helpful. If you could go to the bottom of your page 3, could you say to us a little bit about how you think some of that wording could be improved? What would be more realistic? We've heard from other individuals, certainly, that the

expectations that are created here in the community are not going to be able to be met with the supports, particularly the monetary supports, that seem to be accompanying this policy direction, so could you say a little bit more about how you could change some of that?

Mr Malette: Certainly Mr Leaman would like to answer that question.

Mr George Leaman: We agree with the intent, where we should use more professionals. We're just not convinced that the funding is matching those standards. I guess what we also fear is that after the province writes those standards, it will not accept any responsibility. We will be responsible for matching the service agreement and we don't know how we can do that with the standards written the way they are.

How they could be changed—I must admit that we didn't sit down and try to rewrite the service agreement, but the "shall dos" and "shall not dos" are really imposing, to us.

The Acting Chair: Okay, Mrs Caplan, do you have—

Mrs Caplan: Yes, you heard the questions that I had of the previous presentation. Is there any comment that you'd want to make on the suggested amendments that I discussed in the area of both the ability of the long-term care facility to say it was not an appropriate placement, or an alternative approach to what we've heard as an outdated adversarial inspection mode and in its place an accreditation and a mandate to the board to ensure that there is a continuous improvement program within the institution? Do you have any comment on those proposals and on multicultural sensitivity?

Mr Leaman: I guess what we would like to see is an appeal process that is real, not vague. As far as the quality assurance, we have embarked, as we said in our remarks, on a formal program and tied into accreditation. I agree that if there's some legislation to force us to meet those accreditation standards, then that might be the easiest way of accomplishing so-called inspections.

Mr Malette: When we look at the continuous quality improvement program that we have, and as a board member and just as a member of the community here, I know that we examine those extensively at our monthly board meetings and we're provided with charts and information and surveys that have been circulated to people who have utilized our services, and we look very closely at those and they're monitored very closely.

It's developed into a sense of pride, I think, for our administrators and also for board members to see that higher levels are being attained and we can pinpoint precisely where there are inadequacies. If we see there are some specific inadequacies I, as a board member, can say, "Are there specific problems we're encountering here?" or "What can be done to correct these problems that are occurring?"

Mrs Caplan: What I've heard you say is that that is a much better approach and that mandating that as a board responsibility or as a responsibility of a long-term care facility would yield a better outcome or result than the old-fashioned adversarial inspection model.

Mr Malette: Personally, I feel strongly about that. There is a sense of pride to see, as I expressed, among board members and among administrators to attain high levels.

The Acting Chair: Thank you, Mrs Caplan. I think we have to move on. Mr Wilson.

Mr Jim Wilson: My thanks to both of you for appearing today and in particular, John, to you for volunteering your time. As vice-chair of the board, you are to be commended. It's a sign of good citizenship.

Mr Malette: Thank you very much.

Mr Jim Wilson: A couple of practical questions. One is, you talk about the additional bureaucratic hardships that could be imposed on the home and the cost of the envisioned inspection system. Can you give us some practical examples of where costs might increase to your home?

Mr Leaman: I'm not sure we're suggesting that the cost to the home would increase. It would be a cost to the system as a whole. All the dollars from that inspection process could be diverted into the homes for direct care.

Mr Malette: I think that was the thrust of our presentation in that regard. We're looking at some allocation of funds bureaucraticwise that would fall within the province's budget as opposed to our specific home and being contained within our home.

Mr Jim Wilson: None the less—

Mr Malette: We'd be soliciting moneys allocated to our home as opposed to having an inspector.

Mr Jim Wilson: So any time there's more bureaucracy, obviously there's less money for the actual care in the home.

Mr Malette: Basically, that was our feeling; that was an opinion we expressed.

Mr Jim Wilson: Along that same line, and this may be equally difficult to give a practical example of, but when you talk about the government forcing facilities to be more accountable but the way the legislation is worded it doesn't appear that the government wants to take any responsibility once it sets the standards, can you give us a better feel for what that might mean?

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Mr Leaman: Again, going back to the previous presenter and also to Geoff where he talks about catheters and so on, that does carry a cost factor in professional staff. I guess our fear is that it's written in the standards and then not backed up with funding. We'd be more than happy to take care of people in those circumstances but it's got to be properly funded and it's not my feeling that $90 is going to cut it.

Mr Malette: As I was expressing earlier, as a community member, I feel that we are more or less partners and that there are responsibilities that fall on both sides of the partnership and that we would like to receive adequate funding.

In the past, at the villa we have had a number of extended care patients that we received residential funding for and there is a tremendous cost associated with having these people in our residence. Through our efficiencies and through the efforts of the sisters we were able to provide

an excellent service, even though in my opinion we weren't receiving adequate compensation or funding from the province for these individuals.

Mr Jim Wilson: Just one quick question. I get the sense from your brief that you feel that with all the new rules coming in, the board's future role will be simply trying to keep up with all the points and shalls and shall-nots in the manual, and perhaps this will take away some of the flexibility and innovation that volunteer board members bring to their role. There must have been discussion along those lines among your board members. How do they feel about all this?

Mr Malette: Just to keep up with the ongoing changes and the developments as a board member is extremely difficult. The whole system seems to be evolving very rapidly and to be imposed upon us with additional requirements. It's a greater burden for us, but I know that as George has expressed as an administrator, he feels it will be quite difficult to adhere to a number of the requirements that are being imposed on us. I don't know if George has anything further to add to that.

Mr Leaman: No.

Mr Jim Wilson: Yes, we've heard that from various other groups.

The Acting Chair: Mr Lessard, you're the next questioner.

Mr Lessard: Thank you, Mr Malette. You indicated that you're the vice-chair elect?

Mr Malette: I believe so.

Mr Lessard: I want to wish you the best of luck as you continue your rise up the board at the Villa Maria, and thank you for taking the time to make the presentation here as well. I know that you also operate a small business as well as being a member of the board.

I wanted to address the concerns that you'd indicated about choice. The previous presenter mentioned that as well and the parliamentary assistant to the Minister of Health, Mr Wessenger, addressed some comments with respect to the weighting of choice. However, I wanted to ask you about the master waiting list and the good experience here in Windsor that we've heard from other people, about how the Victorian Order of Nurses is involved in that. Have there ever been any times that you're aware of that there have been any difficulties between the lists that the VON keeps and the ones that you might keep at the home?

Mr Malette: I'm not aware personally. The only exposure I've had to the Victorian Order of Nurses has been very positive. I know they are aware of many of the needs within the community and also many of the needs that exist within the homes and how the homes are managed here within our city.

Mr Lessard: I guess my question is: Do you think it's really going to be a disadvantage if in fact you aren't able to maintain your own list at the home?

Mr Leaman: No, not with our experience with the VON.

Mr Lessard: Okay, and I'd like to ask the parliamentary assistant whether he can confirm whether they would be able to maintain their own list when this legislation came into effect or not.

Mr Wessenger: No, the whole placement process is that the placement coordination system will assign the question of eligibility first of all and then determine the question of priority, although, as you indicated, consumer choice is very much a part and a basic principle of this system. I think maybe staff might like to add something too.

Mr Quirt: Yes. The placement coordinator would be required to keep a list for each facility because, as Mr Wessenger mentioned, the first job is to determine whether people are eligible through a process that involves making sure they're making an informed choice and know about what's possible in the community.

The second job is to find out which facility the resident prefers and the resident then could indicate a first choice or second choice, and the resident's name would appear on both lists for those two facilities. The placement coordinator's job is then to determine, of all the people who have expressed a particular preference, their first preference to get into that facility, which potential admission requires the service the most, and that's the person who would be referred to the facility. In other words, the placement coordinator has to keep a list specific to each facility because the people get to pick which facility they'd like to be considered for.

The Acting Chair: In the few minutes remaining to your party, would you like to continue?

Mr Wessenger: Yes. I'd just like to ask one question. I noted you're very critical of the inspection process, but what I'd just like to ask you is, do you feel that residents and families will feel assured that the standards of care are being safeguarded if we assigned by legislation the responsibility for ensuring good care without any government inspection process whatsoever? Is that what you're advocating?

Mr Malette: Absolutely. I'm quite confident that I feel very comfortable with our presentation and that the public can feel confident that we're adhering to the standards that are being suggested and imposed on us.

Mr Wessenger: I would suggest to you that families of residents expect the government to have a strong role in ensuring appropriate and safe standards of care and also to ensure the taxpayers' money is being used in the best way possible.

The Acting Chair: I thank you very much for your presentation, and we will take your remarks under consideration when we are deliberating. Thank you for appearing.

Mr Malette: Thank you very much.

SANDWICH COMMUNITY HEALTH CENTRE INC

The Acting Chair: The next group is the Sandwich Community Health Centre Inc. Welcome to the committee. I'd ask that you identify yourselves, please, and begin your presentation.

Ms Isabel Cimolino: Thank you. I'm Isabel Cimolino and I'm the executive director of the Sandwich Community

Health Centre. With me is Beth Piet, our seniors programmer at the health centre.

Our presentation is taking a slightly different approach in that we are not an organization governed by legislative authority, so consequently the amendments in Bill 101, I think, are best left to those individuals so operating, but as a community health centre and one of an organization of community health centres within the province we do have some information to share with you, and indirectly, some of the contents of Bill 101 are addressed through that particular process.

What we wanted to share with you today was the results of a survey in which 24 community health centres in the province participated with respect to the role of CHCs, community health centres, within the long-term care system and, at the same time, have Beth speak to you about the experience at the Sandwich Community Health Centre.

What we did not include in the brief was a description of the Sandwich Community Health Centre and what we are. That information was made available to a Toronto office and is certainly there, should anyone wish to do that. Without further ado, I will address or highlight some of the contents in the brief that you have in front of you.

I do have one apology. We did have a little bit of problem with snow the other day and consequently the brief was typed by a young woman on placement from St Clair College who did not notice my bottom instruction, "Would you tell the computer to number the pages?" Consequently, the pages are not numbered and I do apologize for that. But the best-laid schemes, you know.

Mr Hope: As long as you don't go over 10, we're okay. Eh, Elinor?

Mrs Caplan: No. We have five fingers and five toes.

Interjections.

The Acting Chair: I think we'd like to listen to the presenters. Thank you.

Ms Cimolino: Community health centres are community-based organizations, and consequently the role that each plays within its community is different because it is based upon the community it serves. We all have different staffing and different budgets with which to work, but certainly our orientation is that we are responsive to community needs and issues. We collaborate with other agencies, and one of the things that we seem to do quite well is that we're proactive in helping communities gain the knowledge to make choices around issues which impact upon them, and one of the examples of that is the consultation around long-term care. At this point I would ask Beth to describe that experience to the committee.

1010

Ms Beth Piet: Thank you. According to the 1986 census, the number of seniors 54 and better within the catchment area of the Sandwich Community Health Centre, which approximates the boundaries of Olde Sandwich Towne in the city of Windsor or census tracts 009/010, is 24.6% of our total population, compared with 21.8% for the city of Windsor. So we have a slightly higher number of seniors in our area.

When the community health centre opened in September 1989, I discovered there were five groups already of seniors meeting on a regular basis; two of those groups were tenants' associations and the other three were either church-based or social groups. I established a working relationship with these groups, exchanging information and ideas and establishing programs with them to meet their needs.

One thing that became clear was that these groups had little or no connection with each other and most had no knowledge that the others existed or what their purpose was. This was an incredible situation, given that the majority have strong ties with the town of Sandwich, either having been born and raised there or having lived their adult lives there. I subsequently contacted the leaders of the groups and invited them and one other group member to a meeting to discuss common issues and to decide whether meeting on a regular basis would be beneficial to them.

There was strong support at that first meeting to form this coalition of leaders. One lady even commented at the end of the meeting that no one had ever even invited them to sit around the same table and that she was very grateful.

The group has named itself the Olde Sandwich Towne Senior Advisory Council and we meet bimonthly. The groups share information. They've joined each other's groups. They plan outings together. They hosted last August, on one of the only sunny days we had, the first annual Sandwich seniors' picnic and a summer evening concert in our town gazebo. They actually picketed against increased bus fares in the city of Windsor and conceptualized and supported the opening of the Olde Sandwich Towne Seniors' Centre. This opened on January 8 and our seniors' centre is the third centre under the umbrella of the Greater Windsor Senior Citizens' Centres Association and is open on a trial basis one day a week for six months. The centre has been open five Fridays to date and has received overwhelming support from the seniors.

Another indication of the confidence of the seniors in our area in our health centre is that a $5,000 donation was given to the local Windsor Public Library board through myself from one of the seniors of Sandwich to be used in establishing a library in Olde Sandwich Towne. This lady didn't know how to go about donating the money and knew that we would be able to support her and go about it in the correct fashion.

The local seniors not only have been empowered to act as a group but have established a trust in the staff of the Sandwich Community Health Centre.

On two occasions, when an important issue has arisen where community input is critical, we have organized a town hall meeting. One such occasion was to discuss the feasibility of a seniors' centre in Olde Sandwich Towne; the other was a long-term care consultation meeting in March 1992. Some 39 seniors attended the town hall meeting.

At the meeting many familiar issues were identified. I'm sure you've heard all of them. Examples were inadequate care giver relief, fear of inadequate community-based services and fear of poor post-operative support in the home.

Perhaps the most unique issue raised was that the seniors in our catchment area stated that they want to

maintain or expand their relationship with the Sandwich Community Health Centre. At that time the service coordination agency concept was being highlighted and they liked the concept, but they wanted to keep the relationship close with the health centre.

They told us that they've established a trust in the health centre. They receive safe—and that word came up a few times—personal care and they know when they contact us that their needs will be met either through us or on a referral basis because of our close relationship working with other agencies.

Ms Cimolino: Thank you, Beth. I will now go on with the rest of the highlights of the community health centre process of the 24 health centres.

CHCs generally agree with the intent of the LTC strategies. They have the potential to enhance and complement our present work in the community and they are consistent with our philosophy of care. They would strengthen existing support services, offer more accessible respite care for care givers, recognize and enhance both community development and health promotion work. However, there are always question marks raised when anything's going on. Of concern is that during the shift from institution to community care, there is some fear that some things simply won't be there, and resources is one of them.

As far as the general community is concerned, this survey recognized the following:

— More resources for home support services and to offer practical assistance to seniors and the disabled. They give examples of housing, modification of homes, financial help, social support and so on. They are listed there and I certainly don't believe I necessarily have to read them all.

— Encouragement and support should be provided to individual families and communities so they have options—choice, whatever way you want to say it; it all means the same thing in the end—and can make choices in order to take more control over what is happening to them and to their communities.

— Echoed everywhere: more training for professionals and other agency workers to meet new demands and more complex health problems in the community. Also going along with that would be the requirement for public education and community development strategies targeting the physically and mentally disabled seniors, the families, volunteers and so on.

With respect to community health centres—and that's what should be there instead of the "general community"; I guess we had another little gremlin in there—this would depend on the community health centre itself and the role the community, along with the health centre, determined it should be doing in that particular community. So some of the things listed there are the demand for services, what can we do with resources already established and what the capacity of the centre actually is.

During the consultation process the following concerns were expressed:

Community-based services must be in place and adequate before the institutional downsizing actually occurs. They're mainly thinking of hospitals here. Before these things occur, we better be ready in the community and not face the problems encountered by the mental health individuals back in the 1960s and 1970s, where it was a wonderful idea, but there were problems. We just weren't ready and we want to be ready.

Some of things they're saying: There's already an apparent decrease in acute, chronic and respite care, but they don't seem to see alternative resources there. This is happening in some of the communities the community health centres are serving. They want to make sure the funds are reallocated into the community. If you're going to save money through closing a hospital, then hopefully that money will go back into the community for retraining of staff and for helping staff in the transition from institutional care in hospital, where the RNs may go from there to a senior citizens' home where these nursing things are required of them.

The rights of seniors and the disabled or families must be respected. We felt that in all of this LTC process the role of the consumer was unclear. We do not need a huge administrative structure that cannot be sensitive and responsive to the community. I don't think anybody wants any more bureaucracies with which to deal. They felt some sort of system could be devised to ensure that we do not have this massive structure with which to deal. They mention that they remember the lessons of the psychiatric deinstitutionalization, and we simply do not want to find ourselves in that same situation.

Funding as an issue was not necessarily addressed in the question, but underlying most of the responses, it became clear that funding certainly was an issue. Again, harping on financial support for government strategies, they must be there, they must be in place if this is indeed to be effective.

1020

The CHCs, because of the way we function anyway, certainly stress the importance of planning as an effective way of managing finances, and collaboration between community agencies and other institutions, because there's absolutely no other way we can function without an institution. But we have to be able to do so in a cooperative way, collaboratively, and in some sort of partnership to ensure that the needs of the people we serve are in fact served.

Regardless of the type of system which emerges, there were some things that the community health centres saw as being extremely important for such a system. These are a system which is community-driven, with representation on planning and other committees from consumer and service providers; a system which is flexible, one central number perhaps to call for available services; a culturally and linguistically sensitive system; a system sensitive to each client's individual needs and choices, both from a social and medical perspective; a system with skilled workers in all aspects of service delivery, from entry into the system through assessment, planning for care, service delivery and special events or crises; a system that is accessible; a system that ensures that complaints can be aired and dealt with effectively; a system that facilitates collaboration, cooperation and communication between community

agencies and institutions; a system that is geographically appropriate; and a system which provides quick response in crisis.

Attached to this is a photocopy of what the procedures for CHCs in the Ontario long-term care system were, and then broadly stating that they look at planning as an area in which we can be of assistance; assisting in the transition to community-based services; working with the long-term care system—you're looking at opportunities for service provision and linkages between institutions and other community organizations, because we readily realize this is not something that can be done in isolation; looking at resolving issues; identifying community issues, trends and gaps in services; advocacy—we all advocate for our clients and we can certainly see community health centres working along with other community agencies in there; linkages for clients, for community; health promotion; community development—this is particularly something that community health centres undertake and appear to do very successfully; and the actual provision of services, a wide variety of services in our individual communities, depending on the needs of the community.

In conclusion, the community health centre philosophy of community participation and a broad view of health allows us to look at health issues from a unique perspective and to enter into productive partnerships within the community we serve. The makeup of each centre reflects these communities. As a shift to more community-based services occurs in Ontario, we see ourselves playing an integral role, continuing with present services, expanding others and developing new expertise to meet the changing demands. We are meeting this challenge through continued collaboration with other community agencies and institutions and as full members of the long-term care system.

One of the things with respect to the Sandwich Community Health Centre is a Chinese proverb which is a guiding principle in our health centre: "Tell me and I will forget, show me and I will remember, involve me and I will understand." Everything we do within that community health centre has to meet those kind of criteria, because otherwise community health centres will lose that marvellous aspect that they enjoy in a community which simply warms the cockles of this anthropology major's heart.

We have the structural analyses of things, we have functional analyses, but overlooking it is the ethnographic one. If you don't deliver to the community what the community needs, you may as well stop throwing good money away after bad and start over. I think this whole health care reform system process at the moment, of which this LTC is part, is the opportunity to design a system that'll carry us for years and years and years.

I sincerely believe it could be done by looking at what we're doing, changing what isn't working and ensuring that the dollars are there to strengthen those areas that have been identified, both in this brief and I'm sure everywhere you go: staff training, adequate supports in the community and so on and so forth.

I thank the committee for listening to us. I hope we maybe gave you a little bit of contrast to Bill 101 and, as I said, hopefully dealt indirectly, if not directly, with some of the contents of the legislation changes.

The Acting Chair: Thank you very kindly for your extensive brief, and we take your cautions very seriously. I'll begin the questioning with Mr Wilson.

Mr Jim Wilson: Thank you very much for your brief. It sounds to me like you've got your work cut out for you at the CHC, given all the things that you do and that you envision, hope to continue to do and to expand on under long-term care.

Specifically to Bill 101, have you reviewed the placement coordination service as envisioned in Bill 101 and have you given any thought as to how CHC might fit into that? The placement coordinator, more so than now, will be certainly the gatekeeper to the institutional system envisioned through this piece of legislation. I'm just wondering if you've given any thought to that.

Ms Cimolino: I wonder if Beth might wish to answer that. Because she is so much in the community dealing with seniors and other organizations, she might be able to address it better than I.

Ms Piet: PCS is an integral part. We work with them. I'm kind of a dichotomy because I work in the health promotion area but I also work closely with the clinical staff, and that is the group that deals with PCS most closely. In my past, working with the Alzheimer society, I worked with them almost daily, and it's very important to maintain what they do. As Jean Marie Drummond said, we have an excellent PCS here, so I hope we don't become blasé. I expect it to be that good everywhere.

Mr Jim Wilson: Is it in terms of, you get to know the individual senior very, very well—

Ms Piet: That's right.

Mr Jim Wilson: —and can pass on specific information about the individual to the PCS?

Ms Piet: So you're asking how we work with PCS.

Mr Jim Wilson: I just want to make sure you're not somehow written out of the current system.

Ms Piet: No, no. I don't believe at all that we will be. Our role is that we would make referrals to PCS, and maybe more important, we explain what that is to the clients and the family, the care givers, because they don't know. They've never heard of PCS, most of them, and even if they have, they really don't listen or become that involved unless it directly affects them. So you repeat and you give them the reassurance and refer them to PCS.

In our case most of the time we don't hear again, because it's always taken care of by them. We work closely with them, they call us sometimes about information that can help with a family, and I would hope we can continue to work with them because our clients—it's a small client base compared to a lot of people. The community trusts us and comes to us with everyday kinds of questions.

Mr Jim Wilson: Do you have a volunteer board structure? Is that how the CHC works?

Ms Piet: Yes.

Mr Jim Wilson: And you have a number of volunteers who help out in the centre?

Ms Cimolino: At the moment our primary volunteer work is done through our board members. We are currently working on a volunteer strategy to involve the community more, although in some of our programs we do enlist the help of people who pass through that particular system.

We're working to develop this more, but we're doing it with the community to ensure that we have volunteers in an area that the community's going to accept, because again, if we don't do that, then we will soon lose the trust of the community that we've worked so hard to build up.

Mr Jim Wilson: I appreciate hearing your comments on volunteers and that you're working towards that, because certainly, as we see more pieces of this long-term care reform come into place, I think we're going to see an increasing need for volunteers at CHCs. Someone's going to have to coordinate all those volunteers in the community, and it could be an area that you could specialize in.

1030

Ms Piet: Could I add something? With the seniors' program, we don't have a formal volunteer system, but when working with the seniors, they come forward and volunteer with me. I can't tell you how many times they've done that. It's usually around a particular program or issue, and they're there. There are many I can call on at a moment's notice. Because they value what we do, they support us 100%.

The Acting Chair: Thank you, Mr Wilson. Now I have three questioners for the New Democratic Party, so I hope you will take that into consideration in your four minutes allotted. Mr Hope.

Mr Hope: Always short and sweet and to the point.

The Acting Chair: Certainly.

Mr Hope: I have two questions. Number one: Do you see the role of the community expanding when March comes around when the discussion paper is out there, and doing workshops and promoting and understanding—I agree with the philosophy; if you understand and you are part of it, it's better to work with. Do you see your role expanding come March when the discussion paper is released?

The other area I want to talk about, because you talked about the issue of the buses and how they mobilized themselves—I'm wondering if they're also going to look at that with the North American free trade agreement coming up and being part of that, as we see the federal government trying to erode our social programs through NAFTA and other ways. I'm wondering if you see them playing an active role in trying to destroy or kill NAFTA in itself, as another political motivation.

Mr Jim Wilson: What is the CHC's position on NAFTA?

Ms Cimolino: Our particular community health centre has been dealing with other issues and has not yet got to NAFTA. If the seniors feel this is impacting them and it means erosion in certain areas, then I'm sure many people will come forth.

I think I'll have to see some tangible results of that, unfortunately, and maybe that's leaving it too late. But I think—seniors power—seniors are willing to speak. They are excellent advocates on their own behalf. What they simply need is someone to help them along the way.

All I can say is that if they find something that is worthy of their attention, as they did, for instance, through the recent constitutional things—they got together, wrote letters and that type of thing. So I would say yes, if the role is appropriate for our community, but we will be guided with the community, and that's the way we go. I don't always agree with them, but we work with them because they have said to us this is what they want.

Ms Jenny Carter (Peterborough): I think this was a very refreshing presentation, because of course we are by definition dealing more with the institutional side, but we have to remember that there's this very large component that will be part of the whole picture. Of course, there is something like $400 million that's earmarked to go into the sector. I'm not quite sure when that's going to start appearing, but I hope and believe that it is.

I want to ask you specifically about representation. You talked about representation on the boards and committees that are involved with this whole picture, and I understand that the district health council's going to have long-term care committees which will play a big part here. I'm just wondering what you think would be the ideal representation of the different elements.

Ms Cimolino: Representation on the long-term care system, do you mean?

Ms Carter: Well, as I said, there are going to be these committees, I believe, under the district health committees.

Ms Cimolino: As long as the people at the table are those individuals who are the service providers or recipients of services—and sometimes that can be the same person—as long as there is decent representation from the various constituents, which will vary from community to community depending on what's already in the community, as long that representation is there and the opportunity to expand to ensure representation, then I think we're journeying along the right road.

This committee may or may not know that there is a reconfiguration of health care in this city under the auspices of the district health council at the moment. Although the report isn't out, the process was various task forces which actually had all that kind of representation around them. As a cochair of one of these, I was absolutely amazed at the way the groups came together. The physicians, nurses, different hospital employees, various community-based organizations came together and worked very hard and made some very difficult recommendations, even though they would be directly affected, and possibly adversely.

I think as long as the opportunity is there, people are really marvellous in the way they then address the issue they have to do and can somehow step back from personal issues. All I can say is that we have to look at each community, see what is necessary there and ensure that the representation suits the community in which the committee is formed.

Mr Larry O'Connor (Durham-York): I have a question around the PCS and perhaps areas that don't have such integrated PCSs in place as we've seen here. It was pointed out to us in Thunder Bay that they've got a very good system. I'm not totally familiar with the network of CHCs. Do you believe there could be areas of the province that may have CHCs that could help facilitate or work with the government to help somebody develop that placement coordination?

Ms Cimolino: I think there's the opportunity there. When we were approved for funding, there were 18 CHCs. At the time the survey was conducted there were 38 operational CHCs. There are now 49 and possibly another six coming on stream, and they are emerging in areas not only of geographical areas we serve, but maybe linguistic groups like francophones; it could be rural, where it's much broader. So the answer is yes, in many areas there are CHCs that could form an integral part and perhaps even spearhead, depending on the community they're in and depending on what resources are already there.

Mrs O'Neill: I didn't realize you were growing as quickly as you are, according to those figures. Over the last two years I've worked with a community health centre very closely and I just want to say that I think your secrets of success are that you do truly reflect your communities, whether they be the professionals who serve or the people whom you serve. I think your secret also is that you respect the dignity of the individuals you serve. You're constantly in communication with them to see what more you can do for them, how you can do it differently. You're not afraid of being evaluated by the people you serve. I think you are a team of professionals and I think that's the other component that's a secret.

I would encourage you to continue to pursue the volunteer aspect of your work. I think there's a lot of talent there within the seniors themselves and within the people who normally support seniors. Sometimes, though, they need a little push or they need help. They feel the seniors have needs maybe they can't fulfil or they're even frightened of the elderly, and I think once they get their feet wet they sometimes get very sold, and some of these people are very young. Ms Caplan has some questions, I think.

Mrs Caplan: I know you were here for previous presenters and we've heard from the parliamentary assistant. Some of your comments about the government's approach to inspection and the bureaucratic concerns you have for large bureaucracies: Would you support, would you request or suggest, amendments that did the following things as an alternative: for example, an amendment that would require on a mandatory basis accreditation for all long-term care institutions. That's one.

Ms Cimolino: I think accreditation, if we're all working towards the same goal, is a good standardization aspect.

Mrs Caplan: Accreditation of both management and programming results?

Ms Cimolino: Yes.

Mrs Caplan: Second, a mandatory requirement that all long-term care institutions have a quality management program in place to accompany the accreditation requirement.

Ms Cimolino: Yes, if that is needed to support what is going on without overloading. We don't want too much imposed at the local level either. They have to be able to work.

Mrs Caplan: This would be instead of the external inspection with the severe restrictions that you have in place suggested in this legislation.

Ms Cimolino: There's always a place for self-regulation.

Mrs Caplan: Third, then, in order to make it work and empower the residents would be a mandatory residents' council in all long-term care institutions.

Ms Cimolino: I think their voices should be heard and listened to.

Mrs Caplan: The other amendment that we talked about was one when it came to choice, both for the long-term care institution, as well as for the individual client's needs, one that reflected the ability of the long-term care institution to provide appropriate care and to be able to reject on the grounds that they could not provide appropriate care, and second, for the client, the multicultural sensitivities, as well as the care requirement for the client. Would you support those kinds of amendments to the legislation?

1040

Ms Cimolino: There has to be some sort of sensitivity to multiculturalism, linguistic and all the rest of it. It's very difficult. Quite frankly, I have no idea. You're sort of going to have to do it. There's definitely those areas in the province and within communities where to do otherwise—I think we have to take into consideration and be realistic. For instance, we have to come up with a French-language services program. In our catchment area, 97% of our population is English-speaking and the other 3% don't speak French, yet we are devoting this energy, you know.

I'm just saying to be realistic, and there should be an opting out provision if it's not necessary in the community. We have to get back to the community, and that's why it's so hard to answer the questions that came from there. You're setting the basis here. It has to be in the community and I cannot say what is standard in every community.

Mrs Caplan: When you say there, you're pointing to the government?

Ms Cimolino: No, I'm not talking to the government side. They asked me specific questions and I wasn't able to answer them adequately, I think. But it's simply because we're so community-based and now is the time to lay the groundwork from which all things can spring. I certainly think we have to be realistic, and I cite that example of the French-language question. We do provide services in French, actually, but it's not a main issue with us and it's difficult for us to devote energy to it when there's so much energy needed to go in other places. I wish we could speak Spanish, because that's what we need at the moment.

The Acting Chair: I thank you very much for your presentation. You've certainly brought another view and we appreciate that.

Ms Cimolino: Thank you.

The Acting Chair: I hope you will keep in touch as we go through the rest of our hearings and deliberations.

Ms Cimolino: We will.

WINDSOR-ESSEX COUNTY COMMUNITY PLANNING COUNCIL— PERSONS WITH PHYSICAL DISABILITIES

The Acting Chair: The next group is the Windsor-Essex County Community Planning Council—Persons with Physical Disabilities, if the representative would come forward, thank you. Please identify yourself.

Mr Taras Rohatyn: Good morning. My name is Taras Rohatyn and I'm the executive director of the Association for Persons with Physical Disabilities of Windsor and Essex County. I'd like to welcome you to the banana belt, those who haven't been here in a while, and those who came from northern Ontario originally. This is just fairly standard for us, the snow.

I take this opportunity, Madam Chair and members of the standing committee, to present to this committee an abbreviated statement and position paper of the Windsor-Essex County Community Planning Council—Persons with Physical Disabilities, of which I am the chairperson. The comments are very reflective of my employer at the APPD.

On a short overview of the council itself, on September 27, 1990, consumers with physical disabilities and service providers met, culminating approximately a year's work, with the creation of the community planning council. Membership to the council equally includes persons with physical disabilities and major service providers from Windsor and Essex county. Representatives from the provincial ministries, city and county governments and the United Way have committed to act as resource persons. Significant issues such as this long-term care redirection, accessible and alternative housing, employment opportunities, to name a few issues, have been brought forward for the council's deliberation. The planning council functions as a proactive forum, intending to ensure that the needs of persons with physical disabilities are not only met but that services are of the highest quality and standards in the province.

With the first reading of Bill 101 completed, in conjunction with Bill 43, the health professions act, with the passage of the Advocacy Act, ongoing discussions on employment equity, the creation of the Ontario Training and Adjustment Board and questions on supported employment, the position and the concerns of our community planning council taken during the consultation process must be reaffirmed to this standing committee on social development.

We've taken our approach in four or five different sections and would like to advise you of our comments.

Regarding the proposed new direction, it is generally agreed that the direction proposed in the original consultation documents and subsequent discussions of enhancing, expanding and emphasizing community and support services is not only appropriate but long overdue. However, in general context it was noted and affirmed that there must be an appropriate transition period, ensuring that community support services are in place prior to the contemplated shift from institutional care.

There are two items we wish to address under the heading of this new direction. The council firstly affirms its position and mandate that it is representative of individuals with physical disabilities regardless of their age. The council accepts the position of its children's services representatives, that children with physical disabilities, their care givers and their related programs must be included as an integral part of this redirection process, as their service needs are, for the most part, for their entire lifetime, a true long-term care need.

Comment from one of our consumers indicates: "There must be a distinction recognized by the government between seniors and those with physical disabilities and their care. Many seniors"—not all but many—"who are not overly active in the community look for comfortable remainder of life; those with disabilities, especially young adults, look for what they can achieve in life."

Council members stressed that distinctions do not arbitrarily occur in real life when a youth turns 18 or 21. Children with physical disabilities require the same support and programming as adults whether old or younger and cannot be relegated to other specialty legislation. Therefore, the arbitrary position suggested in Bill 101, 16 years of age or older, that long-term care is only for adults with physical disabilities is not accepted by our council.

One of our consumers indicated: "Seniors have more clout with government. We must make the government aware of issues regarding those with physical disabilities" and young adults.

The second general intent under this section indicates that although the majority of our council members were in favour of a decentralization of the system, there were significant concerns regarding the lead involvement and the potential influence of the local district health councils. It was the opinion of many of the council members that community intents and the spirit of involvement may be lost, as social service agencies and individuals with physical disabilities have historically been excluded from the decision-making process in medical model systems.

Regarding family care givers: The community council expresses relief and gratitude that discussions on the needs of family and care givers have finally been recognized, given that these individuals have been the mainstay and the key and integral source of support to persons with physical disabilities. It was agreed, and the council recommends, that more formalized funding for support services for family givers, specific training, education and support groups is necessary.

One of our consumers with disabilities indicates, "It is a good idea for support groups, but some situations, as in my being disabled, working and being a mother with an 'able' infant child—no one, especially in government, I think, understands this situation."

Council members further affirmed that respite services, in-home and onsite, must be expanded to accommodate care giver concerns. Respite services must be available to all with physical disabilities regardless of age. It was suggested that training and support also must be made available to

family members to prepare them for the use of the respite service as this situation, the use of the respite alone, might be somewhat traumatic.

Our document further comments—we don't have the time—on the need for enhanced transportation, a potential tax incentive for care givers and expanded ADP or assistive devices program guidelines.

Regarding community support services, one of our consumers indicates, "Government is under the impression that one size fits all."

The council unanimously agrees that recognition must be made by all involved that there are significant differences and requirements for persons with physical disabilities and seniors, let alone children with physical disabilities. Members concur that the basic community services such as appropriate transportation, housing, education, employment, attendant and respite care and information and referral services are critical factors to a successful redirection. A concern was expressed that those services may not be in place prior to the evolution of the long-term care direction due to the situation, and future needs and services may be relegated to back burners for want of more recognizable and high-profile statistical services.

The majority of members agreed that generic eligibility criteria are not appropriate given the population groups addressed in this document and that consideration must be made to the significant differences between persons with physical disabilities, meaning young adults and seniors. A further concern of the council dealt with the direction of funding and the implications of fund-raising for program needs.

It was agreed that core services need and require 100% funding and cannot be reliant on community fund-raising to support basic service programming. Fund-raising should only be envisioned for purposes of capital and asset needs.

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Regarding health and professional support services, consumers must have a direct say and opinion in what supports they are to receive. I've noted the fact that in Windsor/Essex county there is a significant shortage of professional workers and the council is concerned that levels of funding, given the difficult economic times, will not become available, thereby not being able to address this issue. It is reaffirmed that the support systems must be enhanced and in place during any transitional period.

A further concern was raised by a significant number of members regarding home services and the current variety of worker-level education and employment backgrounds. One comment suggested that with a community-based model, interpersonal skills will become as important as those skills that will be required to maintain an individual in his or her home.

A number of service-provider representatives raised concern over questions of liability and questioned whether appropriate mechanisms could ever be in place to prevent potential grand-scale problems of self-directed or self-funded care.

It was agreed that there must be significant increases in the availability of education and training courses, especially on a post-secondary level, for workers to support the long-term care objectives.

One significant concern expressed was the lack of direction by successive governments regarding attendant needs and vocational and employment pursuits by persons with physical disabilities. Not one ministry has addressed or seems prepared to address the issue that persons with severe physical disabilities will require attendant and personal supports in employment centres. The community planning council proposes that the long-term care division become the lead mechanism regarding this complete lack of coordinated services.

Regarding supportive housing, it is the position of the community council that individuals with physical disabilities do not want to be segregated or ghettoized, and must be allowed to have and to make choices by having a variety of options available to them. It is the impression of a significant number of members of this council that the current government directions lean towards non-profit housing as the only seeming alternative for persons with physical disabilities and for seniors. One consumer added that "Housing should be available according to an individual's preference."

The council agrees that there must be greater flexibility in the provision of support service programs for those living in their own choice of residence. The question again of choices and options for persons with physical disabilities is raised in this regard. A specific example is current unavailability of 24-hour personal service. Locally, such service provision is only available in a segregated setting. Other community programs are restricted to the number of hours available to a person on a monthly basis. Services in an individual personal residence, excepting respites, are not allowed over a 24-hour period. The consumer has two options: a segregated setting or an institution.

The council affirms the importance of supported service living units or SSLUs. Windsor, although never acknowledged, has been in the forefront of innovative SSLUs and transitional living programs since the early 1980s. The community councils suggest that the programming approaches of Windsor service providers be considered as an appropriate model for expansion of the service. The council further expects that significant funding will be attached not only to the expansion of the SSLUs but also to existing programming.

Regarding long-term care facilities, the council strongly recommends that the long-term care facilities have community representation involved at the board level to provide input to their policy-making structure. Reciprocally, however, it is important that the long-term care boards and staff be involved in the community's decision-making process. This council feels that it is extremely important that facility and community work as equal partners and not within isolated vacuums working for the same common goal.

Our council expresses little further opinion regarding issues involving funding, surplus retention and user fees. We again stress, however, that in order to enhance facility care, community respites, support services and day services

must be in place and available prior to any formal facility implementation.

The last issue prior to the conclusion is service coordination. This significant question permeated council discussions regarding service coordination as there was a varied divergence of opinion on system, style, representation, structure and approach. It has now been suggested that the focal point of any long-term care system be placed in the hands of the district health councils on a local level.

Council members are concerned with this approach, given that historically community social service agencies and representative persons with physical disabilities have not been involved due to a very structured system of DHC member nomination.

Many of those currently involved in health councils come from medically oriented backgrounds and bring a health orientation with them. It was further suggested that issues regarding persons with physical disabilities may be diminished or disregarded. The potential management of the system through the DHCs, in the council's opinion, will prove to be a very difficult community chore. It was agreed that it will be a demanding task to find appropriate board representatives with little or no conflict of interest, given the concerns previously expressed.

Further concerns were expressed regarding any assessment procedure. It was agreed that any generic assessments could potentially exclude the needs of individuals with physical disabilities, whose stable conditions require a much different approach to their individual situation.

Given the aforementioned, and reiterating our perception of a health model orientation, the community council expresses great concern with the direction and proposal of utilizing the district health councils, and the focal point of long-term care.

We acknowledge and commend the recognition of the concept of individual choice in the proposed bill. However, in order to realize the suggested approach, consumers with physical disabilities and their service providers, knowledgeable in their field, must have equal representation in the process.

To conclude, the Community Planning Council—Persons with Physical Disabilities expresses its excitement at a number of positive changes contemplated by government, and supports the general initiative, direction and many of the principles of the long-term care redirection.

The council, however, is very wary of legislation that contains little content, with policy decisions being made by way of minister-ministry regulations. The council further fears that specialized interest groups with non-community agendas will influence these regulations and that proper and due process of public opinion will not be allowed.

We reiterate, however, the importance that consumers with physical disabilities, and all significant others associated with them, must be allowed to be involved in our system and the decision-making process as equal participants and partners. Our submission recognizes the importance and strength of our community and we look forward to active involvement in the discussion and changes of our future.

We thank you for the time, and we respectfully submit the longer version of these comments.

The Acting Chair: Thank you very much.

Mr Wessenger: Thank you very much for your presentation. Just a point of clarification with respect to the planning process for long-term care: I don't know whether you're aware of the fact that the process will work through a subcommittee of the district health council. That subcommittee will have consumer representation on it as well as social service provider representation on it, so it's to be a much broader-based approach, the subcommittee approach, than having the DHC do it itself. I'm just wondering if that would allay some of your concerns, that the subcommittee will be a broad-based body that will do the planning, which will combine health and social services and consumers.

Mr Rohatyn: I appreciate. However, I think in structure and in formal organizational charts, subcommittees provide recommendations to a body which makes decisions and I think our intention, realizing that there will be broader representation, is at the board level itself where the actual decisions will be made. But I appreciate; I wasn't aware it was on a subcommittee basis.

Mr Wessenger: You indicated also that you seem to favour what I would call—and let me classify this as a functional approach towards—you're saying physically disabled children should be under the long-term care umbrella, which is what I would call sort of a functional approach. You'd definitely prefer that over sort of a client approach in the sense of—for instance, one of the other alternatives, of course, with respect to the children who are physically disabled, is to look at the concept of trying to have a broad approach towards children's services in general. I know that's a contradictory concept, but I just want to confirm that you prefer the functional rather than the sort of broad-based approach towards children's services.

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Mr Rohatyn: I think our approach is client-based. Yes, it is functional, but I think we look at the fact that when we deal with individuals with a physical disability and those who are born with it, it is in fact a lifelong approach. If you are looking at children and then all of a sudden the arbitrary age of 16, some services may be available up until 16, and it's the reality today that all of a sudden they're not available when you're 16 or 18 or 21. So we look at it, yes, as a functional approach but we also look at it as a client-centred approach.

Mr Wessenger: You also indicate in your brief that there should be differences between the young persons who are physically disabled and seniors. Are you implying there should be financial differences and, if so, would that mean that, upon attaining the age of 65, a person would get less financial support if he were disabled?

Mr Rohatyn: We did not approach finance at all on this. What we were looking at was in fact the individual at 21 or 22 with a very stable physical condition, hopefully, in this society, having another 50 or 60 years or 80 years of longevity but being able to work within community, being able to socialize within community.

Their approach to life is very much different than an individual who may be 80 or 85, still very active in the community but medically may be at a different point in time, socially may be at a different point in time and may be approaching life on a very different basis. We did not look at finances at all on this.

Mr Wessenger: Are you supportive of the direct funding model that's in the legislation with respect to grants to individuals so that they can purchase their own services?

Mr Rohatyn: There are a couple of issues that have been raised. If I could speak from a professional point of view, we've spoken on this issue with individuals, with consumers' clients, within the administrative portion at board level and the like on many occasions.

In the reality of today, with the laws we have in place, with the legislation that's coming, with employment equity and the like, there are specialists called human resource specialists who are out there and who are hired by associations, by lawyers, by judges and the like to handle these very specific issues: termination, wrongful dismissal, providing CPP and UIC benefits back and forth. Those are very significant issues when it comes to direct funding. Brokerage has been discussed, a person having dollars channelled through them where he can purchase services. It's a very large issue.

The concept itself of an individual being able to say, "I would like this person to work for me," I know that my association agrees with this council. The implementation, however, and the practical side of the vast amount of legislation that oversees hiring and firing, all of the potential problems that might be there I think have to be very strongly looked at, because there could be very significant implications to an individual having direct funding and direct purchase service.

Mr Wessenger: You would be supportive then of the pilot project approach to this?

Mr Rohatyn: That we would have to be. I think that will get us off the ground to see what the problems are.

Mr Wessenger: Fine. Thank you.

Mrs O'Neill: Thank you very much for stating very clearly the complexity of the direct funding model. I'm happy that you've done that. I'm also very happy that you have reiterated, and we have heard it from the disabled themselves, that generic assessments and eligibility determinations are very inappropriate. They just don't work with the disabled.

You've also pointed out another weakness in this bill, which I think has been pointed out to us by others even this morning, that it has as its basis, and through many perceptions, that it's a non-community agenda. Those are all things I think we have to work at with this particular piece of legislation. I'm happy that you brought forward the role of the family care giver, because we haven't heard a lot about that, and the respite care and the needs of the working disabled.

I'd like you to say a little bit more, and certainly Mr Wessenger's just almost invited you as well to talk a little bit more about what you think is the best way to go with children with disabilities up to 16, because the bridge, as you suggested, certainly between 16 and 21, is a very narrow bridge and doesn't seem to have very strong foundations even now, and with this legislation could be even more fragmented, in my mind.

Can you tell us what you think, from all of your experience, would be the best place to legislate for children with disabilities?

Mr Rohatyn: Thank you for the comments. I don't know that our council has gotten into such specific detail other than realizing that there are so many fragmentations, and this is not just today and it's not this government; it's been a successive process over the many years that this has occurred. There is a vast amount of legislation that impacts on a child, right from the Ministry of Education—I'm not sure what the new ministries are themselves at the present moment—through to Health, through to Community and Social Services, through to children's councils, through to this, through to that.

I think our perspective when we are dealing with long-term care, part of it being a social service side and part of it being a health care side, has to be directed within this realm of long-term legislation. The Ministry of Education or the educational process itself will deal with the education side, but there is an overlap at a point in time of personal care workers. The Ministry of Education will have different rules and regulations today versus what maybe the long-term care division and activities of daily living provide. There has to be a linkage; if not, some legislation that overrides that, to say that one worker is in fact the same, that they will be provided with the same standards, the same education and will in fact do the same work.

When it comes to other activities of daily living, being the social service side itself, respites are extremely poor in the amount of funding that is available to children at the present moment. The dollars are just not there for children with physical disabilities. The dollars are also not there for those adults with physical disabilities and those seniors with physical disabilities, and that could be a common linkage, that respite is respite, whether it's a 3-year-old and the parents need it very dramatically or whether it's an 80-year-old with a wife or husband with a disability who has to have a little bit of time off.

Those are just common threads that I think could probably be worked out, but we take this on a commonsense, common basis approach. It is one and the same, respite or things along that line. We didn't delve into it as specifically as maybe what you were looking for us to do.

Mrs O'Neill: I think that's been very helpful. Do you notice any changes in the attendant care programs in the immediate past? You certainly express some fears you see regarding attendant care. Would you like to say a little more about why you have those fears?

Mr Rohatyn: In our profession we provide an outreach attendant care service within Windsor and Essex county itself. One of the problems we've had is that we've been working under guidelines, nothing specific, and guidelines are just general comments that you can do this and can do that.

There's a question of activities of daily living and what really that does mean, and it is our impression that that will not be addressed. There will be no definition put to this. It's very difficult to define something and then have to work around that. I think that's also the practical side of it.

But what do activities of daily living mean? If it is that personal service to allow the individual to work within the community and be involved in the community, then that is far-reaching, because you in fact are dealing with ventilators at that point. You're dealing with what we call B&B, bowel and bladder. You're dealing with ileostomies and colostomies. You're dealing with personal care. You're also dealing with children—as we indicated, one of the parents who is disabled but having children—and that is a concern. Is there a crossing point? Is it the adult or is it this?

There is the employment setting. There are a lot of concerns, and if you have just a general set of guidelines to work within, ladies and gentlemen, it doesn't work. You are at that point having to prejudge these guidelines, sometimes making arbitrary decisions, which may be right or may be wrong, and in the long run you may not be right. But who loses? Not the association that's providing, not the worker who's providing, but the direct consumer, who may or may not have a voice involved in this.

Mrs O'Neill: Thank you for giving us the practical side.

Mr Jim Wilson: Thank you for your presentation. I too very much appreciate your comments concerning generic assessments. On page 8 in the section entitled "Long-Term Care Facilities," I gather you'd be in favour of mandatory residents' councils in those facilities.

Mr Rohatyn: The council has agreed that would be very necessary, yes.

Mr Jim Wilson: You go on at the end of that section to "stress that in order to enhance facility care, community respite, support services and day program services must be in place and available prior to formal facility implementation." I appreciate that comment, so that this government won't repeat the mistakes of the past. To what extent are things shaping up on the local level in terms of community services being put in place?

Mr Rohatyn: I think that everybody is sitting and waiting to see what happens with legislation—I'll be very honest—because part of that will facilitate movements in the community.

Specifically regarding individuals with physical disabilities and day programming, very little exists. That's been the reality because those individuals have not been paramount in any government's eyes, and this is part of the reason why we were making our statements.

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Individuals with very, very severe physical disabilities who may not have the options available to them of employment, social interaction, social contact or community involvement because of physical barriers—doorways and the like—have nothing available. There are a lot of volunteer groups out there, but they get stressed and they may not have the professional capacities to work with those individuals.

I hate to put it to you, but the boob tube becomes a very important focal point of their lives—that being television—and sitting at home and then, of course, the stress on the care givers.

We are not by any means any different than the rest of the province. I think Windsor has taken a lot of very strong initiatives in this community, but that day program is very important, not only on the social side of it but also on the vocational and employment side of it.

Mr Jim Wilson: On page 7, at the bottom, you reiterate the view of the council that the non-profit housing scenario should be viewed as only one approach and that "our position is that a variety of options and choices must be available."

A couple of questions: One, do you think there's been too much emphasis on putting up non-profit housing to the exclusion of not considering other options? Two, will this direct grant that the minister may from time to time dole out—as it's worded, money appropriated from the Legislature—do you think that will help to ensure we're not ghettoizing people with disabilities into strictly the non-profit buildings?

Mr Rohatyn: I appreciate your reiterating the comment that we're looking for larger choices. I think everyone does. I think everyone should be looking either to own his own home or to move into an accessible apartment, into coop, non-profit or the like. One of the problems is that there isn't enough of it. There aren't enough accessible units, whether they be actual permanent, one-single-bedroom residences or apartments and the like. Mandatory legislation indicates 5% of all non-profit housing or all—and a lot of private developers are moving into that. There's got to be more.

I run one of the SSLUs, independence-training apartment program, and at the present moment out of the 16 units where we train individuals we have six people who have been waiting for two years to move into accessible units—two years. That is a long time to wait. The backlog of individuals wanting to go into training apartments is 9 and 10 and 12, and some people say, "Well, I can't wait any more."

Part of it does impact on an entire system. Hopefully, if the parameters of direct funding also include some assistance—and I don't know whether there was even a practical suggestion at that point—of allowing individuals to move into community at their own choice, that might be considered by this committee.

Mr Jim Wilson: We have heard evidence previously that part of the problem is—you mentioned waiting lists to get into SSLUs, that's part of the problem. There are many people who are in SSLUs now who would very much like to get out and therefore free up space for others that may be appropriate to move in. To me it's unclear whether grants to individuals will allow—whether there will be enough flexibility there to allow people to move into their own choice.

Mr Rohatyn: It was my understanding that the grants—and again it's just maybe trying to read what is there or maybe reading more of what I want to see—would

be directed more towards the personal care side itself, the attendant care side or the respite side itself.

It is a much broader issue, not only with the individuals who are held up in the process of an SSLU moving out into community; it is also an issue of the personal care that is involved. If an association such as ours that services 50 people in an outreach attendant care program has a waiting list of 130 active individuals, and that is the reality of today, a person also requires attendant services stepping out into community and is only making applications, some priorities may be already existing and they may not be able to move.

That is a functional problem of the system itself, but it is much broader than just the physical structure of the building or maybe direct funding itself. It is a large encompassing issue.

Fortunately, and I'm being very frank here, we have had these discussions and are having these discussions on an ongoing basis locally in the community, part of it being council, part of these comments being directed to our friends in government.

The Acting Chair: I thank you very much for coming today.

Mr Rohatyn: Thank you very much. Good luck.

WINDSOR AND DISTRICT LABOUR COUNCIL LABOUR ADVISORY COMMITTEE

The Acting Chair: The next group is the labour advisory committee of the Essex County District Health Council. Would the representative come forward.

Mr Ken Brown: We're a labour advisory committee to the Essex County District Heath Council, but our committee is formulated through the Windsor and District Labour Council, if that clarifies it any.

The Acting Chair: Yes. Would you identify yourself, please, and then begin.

Mr Ken Brown: My name is Ken Brown and I'm the co-chair of the labour advisory committee.

The Windsor and District Labour Council represents approximately 32,000 working women and men belonging to 62 affiliated unions in this area. The labour advisory committee was formed last year in response to an invitation from the Essex County District Health Council. We are designated as an advisory group to the health council's steering committee established to oversee the health care reconfiguration project that is currently under way in this community.

The labour advisory committee has representatives from the Canadian Union of Operating Engineers and General Workers, the Canadian Union of Public Employees, the International Brotherhood of Electrical Workers, the Ontario Nurses' Association, the Ontario Public Service Employees Union and the Service Employees International Union, all of whom represent health care workers in Essex county and indeed across the province. We also have a representative from the Canadian Auto Workers to provide the voice of a consumer on our committee.

I've already identified myself. I'm the co-chair of that committee. On behalf of the labour council and all our committee members, I want to thank you for inviting us here today. We welcome the opportunity to present our views on this very important legislation.

Let me say at the outset that we agree that change is necessary and we generally support the goals as set out in the November 26, 1992, news release concerning the new legislation, those goals being: a fairer funding scheme for nursing homes, charitable homes for the aged and municipal homes for the aged; improved accountability to residents, their families, workers and government; consistent resident payment policy; simplified and streamlined access to long-term care facilities through placement coordinators; and direct payments to adults with disabilities who are able to buy and manage their own support services.

However, we do have some concerns about what we see as shortcomings. In the time allowed, I want to identify a few of those for you and talk a little bit about each of them.

With the restructuring that is planned for the entire health care system, we are very concerned about looking at long-term care in isolation from the whole health care reform. Due to budgetary restraints, some health care reorganization has been taking place already in communities across the province, and what it's meant is reduction of services and a layoff of employees in these health care institutions. In our view, if we continue in the present vein, essential services will be chipped away bit by bit and we'll never get them back. The planning then has to recognize and acknowledge the connection of all parts of the health care system. Long-term care is but one part of a comprehensive health care system and it is difficult to examine it in isolation.

If I lose my voice, I'm not choked up with emotion; it's simply a sore throat that I've been fighting for a couple of weeks.

It is our submission then that long-term care has to be looked at as part of the whole health care system of the province, and all planning has to be done and everything in place before further changes are made.

The proposed legislation would require service contracts with the crown in order to run a nursing home or a charitable home for the aged and also provides for admission criteria to be determined by placement coordinators. We don't have any difficulty with either of these, but I note that in both cases, the service contracts and the determinations of placement coordinators are to be done in accordance with the regulations. We were not provided with copies of the regulations in the package of material that we received. I'm told at this point those regulations have not yet been developed. It is difficult to comment on these areas without seeing the regulations that will make them work.

The proposed legislation also requires that quality assurance plans be developed and maintained and provides for inspectors to enter these homes and carry out inspections at all reasonable times. What it does not appear to do, however, and we think it should specifically do, is provide for whistle-blower protection, particularly for employees and/or residents. The employees and residents are certainly in the best position to be aware of violations, but they're also the most vulnerable people. They don't have strong protection so that they can feel free to point out potential

violations without fear of recrimination, and we fear they will be reluctant to do so.

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It is also our belief that inspections ought to be carried out with greater frequency than is our experience now, in the nursing home industry particularly, and without advance notice. It is all too easy to have everything in great shape for an inspection that you've been able to plan for for two or three weeks or a month.

We are very much concerned that the government has seemingly accepted the argument that quality services can be delivered cheaper and better by community agencies or private operators. However, Ontario's previous experience with the deinstitutionalization of ex-psychiatric patients in the 1970s was judged largely to be a failure. The motivation at that time was to reduce institutional care costs. Although the government promised community services would be developed to help former patients integrate into community life, many of these services were never established. Our concern is that in an effort to deal with shrinking health care resources, the institutional care budgets will be cut before putting the necessary systems in place so that people can be cared for adequately at the community level.

We also question one of the underlying premises of this reform in Ontario especially: that seniors are institutionalized at a disproportionately high rate compared to other jurisdictions. The Ontario Association of Non-Profit Homes and Services for Seniors says that Ontario government figures for 1992 show the institutional rate to be at 5.9%, which is on a par with or lower than other Canadian and international jurisdictions. In 1987, Ontario's rate was 6.1%, compared to British Columbia at 6.6%; Sweden, 7.3%; Quebec, 6.6%, Manitoba, 5.7% and the United Kingdom, 5%.

Deinstitutionalization will place additional responsibilities on families and friends for the elderly and people with disabilities. For a variety of reasons, persons needing services may prefer a setting such as a hospital or long-term care facility. Individual preference must be protected.

Shifting emphasis to community and home care will also have an adverse impact on women in that they will be responsible both for raising the children and caring for frail elders. Moving work to the community sector, which is traditionally lower paid, will result in women being pushed into these jobs just when collective bargaining and pay equity have begun to address these inequities in the institutional sector.

We further question the wisdom of reducing institutional beds in the context of the shifting demographics. In 1990, Ontarians over 65 comprised 11.7% of the population. By the year 2001, seniors will comprise more than 15% of the population. Between 1990 and 2011, the growth rates will be 59% for seniors, compared to 22% for the entire population. Those 85 and over constituted slightly more than 1% of the total population in 1990. Their numbers are expected to double by the year 2011 to 2% or 2.1%.

As well, we see the logic in expanding the role of hospitals in the provision of community-based health care. One way to ensure quality home care services is to provide them out of existing facilities. This could go a long way to eliminating duplication of costly administration services and maintaining public administration. There are also hospitals in the home programs in other parts of Ontario which provide home care services.

We believe the government should examine these models closely before attempting to move home care services to community agencies, many of which are commercial operators. Often the artificial dichotomy between institutional care and home care sends up a smokescreen which obscures the real issue; that is, how to reform institutions into more humane places to live.

We believe the five cornerstones of health care—that it be publicly administered, comprehensive, universal, affordable and accessible—are essential to long-term care as well. In the period between 1976 and 1989, while 7 out of 10 provinces were reducing the number of private nursing home beds, Ontario increased its percentage of private nursing home beds from 47% to 54%, making us by far the largest supporter of private sector nursing homes in the country. We are absolutely opposed to this direction.

What we really need is a conversion strategy to turn the profit nursing homes into publicly owned not-for-profit homes. In our view, the best way to provide decent nursing homes is to remove the profit motivation from their operations. It is our experience that the quality of care found in private nursing homes is generally inferior, as are the wages and working conditions of the employees who provide the care.

I said earlier that we recognize that change is necessary. We also recognize that with shrinking financial resources, largely due to the federal government's abandonment of the people of this province by continuing to reduce transfer payments and effectively refusing to pay its fair share for maintaining our health care system, we have to find ways to be more efficient in every respect of our health care delivery, including long-term care.

We believe there are a number of ways to create efficiency without cutting or otherwise adversely affecting the quality of care. Some of these are: Where possible, eliminate unnecessary and costly duplication of services; provide community care and outpatient care from existing facilities as opposed to expanding and fragmenting a network of community agencies and the administrative costs that would be associated with that; review the whole fee-for-services model used to compensate doctors and private labs.

On this last point, although this province placed a cap on doctors' incomes, the government's settlement with the Ontario Medical Association simply did not adequately address increased utilization. A Globe and Mail report last spring indicated that physician billings were up by 11% for the first three months of the 1991-92 fiscal year. Payments to doctors amount to only 16% of total health care expenditures. However, they are estimated to control approximately 80% of health care costs.

There are a number of studies that indicate that the current fee-for-service system encourages abuse and unnecessary treatment. We believe this fee-for-service approach to health care is a part of our system's current financial woes and must be re-examined.

Health policy experts say that studies conducted in the last few decades have shown that patients are subjected to tests, surgical procedures and prescription drugs which are not useful and frequently may be harmful. Such conclusions have been confirmed by a 1988 Report of the Ministry of Health's advisory Drug Quality and Therapeutics Committee, which reported that as many as 20% of senior citizens admitted to hospitals were as a result of adverse drug reaction and dosage mistakes.

These few items addressed here with respect to efficiencies and ways to save money are by no means exhaustive but certainly represent ways and means of saving substantial dollars without adversely affecting quality of care and service that we deliver.

Those are my remarks. I understand there may be some questions, and once again I thank you for your time and attention.

Mrs O'Neill: I just have one question. Certainly, we've heard several of these points before. The one we haven't heard before, however, is the whistle-blowing protection. I'd like you to say a little bit more about that. I'm pleased that you said employees and/or residents. Could you say a little bit more about how you think that could be achieved or what you think would be necessary to make sure we would have full knowledge if there was an infraction?

Mr Ken Brown: I think it's simply legislation that would specifically protect their rights to do that, similar to what you may have in the Labour Relations Act, that an employee—this would have to be residents and employees—can't be coerced, discriminated or recriminated against in any way for exercising their rights or bringing to the attention of the powers that be what they see as violations of the act or the service contract or any difficulties that may go on. It would simply be legislation that would clearly state that employees and residents have that right, that this right is protected under law, and that they are not going to face any reaction as a result of that kind of action or pointing anything out.

Mrs O'Neill: Do you see that as part of Bill 101 itself?

Mr Ken Brown: Yes. From what I see in the package of information I have, it certainly could be incorporated there. It would be an appropriate place.

Mrs O'Neill: Could you just comment on the role of residents' councils in respect to that same thing? We've had several comments that residents' councils do not have as high a profile in this legislation as they might.

Mr Ken Brown: That's something that from our approach we haven't really looked at, but that would certainly seem like a means of incorporating it from the residents' side, through the councils. We certainly don't have any difficulty with that, residents' councils' approaches to dealing with problems.

Mrs O'Neill: Thank you very much.

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Mr Jim Wilson: Thank you, sir, for your presentation. There are a just few points that I probably don't agree with—

Mr Hope: Which ones are those?

Mr Jim Wilson: —which I'm going to elaborate on. You mentioned a couple of points on page 7 that I do want to ask you about. One is that you mentioned that your preference would be that the government have a total conversion strategy to essentially move the private sector out of the delivery of nursing home services. Do you have any idea what the cost would be? Have the unions looked at the cost to the taxpayer for that sort of thing at all?

Mr Ken Brown: No, I don't have any direct knowledge of the costs. In terms of dollars, I don't doubt that they would be substantial, but I still believe that over a period of time it can be done and that it's an investment in health care that has to be made. I suppose, as we see it, it would be a priority of spending. But I've not seen any—we suggested that before—figures to say, "This would be the costs associated with that if it were done in any specific time period." So no, I don't have the figures.

Mr Jim Wilson: I guess what I don't understand about that approach is—and it comes every time a union group makes a presentation—is why, when the standards are the same for both the private sector and the public sector in delivering health care—and particularly this bill moves to ensure that standards are the same—there would be a preference to want to shift the private sector out of the delivery of care, if the consumer is going to get the same care and if now the same inspection services will be provided in both sectors.

Mr Ken Brown: My own personal sense of that would just be—and you're getting that from union groups—their experience over time in dealing with private operators. I don't want to tar them all with the same brush. There are some decent operators out there. But we run into far more difficulties with private operators in a variety of what we see as not having adequate nursing care, added stress on the workers to get the work done. There are some guidelines in place now in terms of nursing hours that have to be provided per patient bed in the homes, but enforcing that can become a difficulty.

I think the experience of the unions that have dealt with them is that where you have private operators who are looking to make money out of it, they will tend to cut corners where they can cut corners, sometimes at the expense of workers being asked to do more than they should have to do and the stress on them, of course, of wanting to do everything and being all things to all patients. The people who work in this industry tend to be dedicated folks. It's not a simple matter to say, "I'm just going to leave that patient and not clean him up or take care of him, because I don't have time." So they make the extra effort to get it done. Our experience with private operators suggests that even with regulations they will try—some of them may attempt to cut corners.

Mr Jim Wilson: I appreciate your comments. For your information, the government did do a secret study on what it would cost to buy out the private sector in health care. Because it's never been released to this committee and I'm aware that it was done, I would ask the parliamentary assistant, through you, Chair, that the study be provided.

I happen to have been told by some people in the bureaucracy, as part of whistle-blowing, that it was done and that the government, for financial reasons, had to rule out the possibility of taking over the private sector. I think it would be very helpful if that information were made public, so I'd ask you to pursue that.

The Acting Chair: I'll ask the parliamentary assistant to take that into consideration.

Mr Wessenger: I don't think I can give any commitments on this matter.

Mr Jim Wilson: I'll get it one way or the other. The second thing is—and I'll make clear from the beginning, even though there'll be heckles from the other side, and I appreciate the heckles—that the federal Conservative government is different from the Ontario PC Party. Having said that, in fact it's probably in our interests to see a different-striped government federally, if I ever want to be in cabinet provincially. It's the way the province works.

But having said that, I'm disturbed every time the unions do this, and I think you lose some credibility for those people who are aware of the figures. The federal government didn't cut transfer payments; it cut the rate of transfer payments, from about 8% to about 5%. So this government got 5% more for health care and education from the federal government last year than it did the year before. This year it'll get almost 5% more than it did the year before, yet it transferred 1% to its municipal partners.

I think the question unions should be asking is, "What happened to the 4% differential?" rather than this fed-bashing, which doesn't serve to justify the facts at all. I just leave that with you, because I've remained silent through all the other union presentations. The facts are that the rate of transfer was cut from what it traditionally had been, but the transfer payments were significantly more from the federal government to the provinces than what the provinces transferred to their own partners.

If I were in a union, political agendas aside, whatever government was in power, I'd pursue very forcefully the question of what it did with the money. You know what the problem in federal transfer payments is: The provinces have always resisted the feds auditing their books. They transfer money in lump sums for education and health care into a very large envelope, and the provinces don't necessarily spend all that money on education and health care. So I put that on the record as a challenge to unions to ensure that the Canadian public is given the facts.

Mr Ken Brown: I made the comment and didn't provide much data. I frankly thought that it was a given. I've seen a number of studies that tell us the federal government's overall share of health care is reduced from a 50-50 proposition to somewhere in a 30% range and that over the next 10 years its goal is to achieve a $0 contribution. So I really didn't do anything in terms of providing the figures. I guess I thought that was a given and everybody understood that.

The Acting Chair: I think we'll have to move on, please.

Mr Jim Wilson: I'll just put one more. The studies that do show that are studies of the actual cash transfers and the tax point transfers. On total, transfers are up; they're not cut. I think you get ministers who, for political reasons, start to concentrate only on cash transfers, which are being reduced over time. But tax credits to provinces are just as good as cash in many cases, and I think the public doesn't generally understand that.

Mr Hope: The $4.5 billion has nothing to do with it.

Ms Carter: Thank you, sir, for a very valuable presentation. I just wanted to single out two points; one's already been highlighted, and that's the question of whistle blowers. Certainly, as far as residents go, not so much where it might be a matter of labour disputes, I think the government has already taken steps to deal with that through our advocacy legislation, which does give vulnerable people the right to call in an advocate and explain any problems and difficulties they might be having. If, for example, an institution were not being well run and inmates were being neglected or not treated properly, the advocate would probably find that it was a systemic problem, because more than one person would be complaining, and the advocate would be empowered to follow that up to do something about it. Could I have your comments on that?

Mr Ken Brown: The one on the labour certainly is not in a labour dispute. I just say that if an employee happens to be aware of something that affects the operation of the home or affects residents more so than the employees, he should have protection to report that.

Ms Carter: He could ask a patient to in fact call that number for an advocate.

Mr Drummond White (Durham Centre): I first want to commend Mr Wilson for his attempt to apologize for his federal brothers, a virtually impossible task.

Mr Jim Wilson: I wasn't apologizing; I was simply stating facts.

Interjections.

Mr Jim Wilson: You're in government. You are obligated to give facts; you are obligated to give true facts.

The Acting Chair: If you would like to carry on this conversation outside, it would be most helpful.

Mr O'Connor: He's got the floor. Relax.

Mr White: I want to thank you for your presentation. There are a couple of points I wanted to pick up on.

Interjection.

Mr Jim Wilson: I am not playing games. Show me the bloody federal budget.

Mr White: The issue that you mentioned here about how Ontario has been in the past unique in all of Canada in moving more and more towards commercial nursing homes, private nursing homes and for-profit social services, there's a substantive figure that you give. Do we have any updated figures? Have those tendencies continued?

Mr Ken Brown: I just have what I've given you there. I'm sure there's something more available. That was what I had at my disposal for the time I had to prepare for this.

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Mr White: Sure. I'm very concerned about this. If we know that this tendency, this trend, is continuing, that's certainly something that many of our public sector friends are concerned about. I certainly would hope that that's not the case.

I think that many unions that work for both private, for-profit corporations and public sector facilities, not-for-profit, community-based facilities have spoken about the experience of their workers, spoken about the importance of the not-for-profit sector, clearly indicating a bias, even though they represent people who work in both.

I want to pick up on the issue about inspection. You hear talk about inspection of facilities. You talk about the need for that inspection to occur on a regular basis.

The Acting Chair: Excuse me, Mr White, but your colleague the parliamentary assistant does want to put forward a question as well, and I would ask if you could just ask your question, so we can get on with things.

Mr White: I will. Thank you, Madam Chair.

I'm wondering if you could comment upon the need for inspection versus a compliance mechanism or a consultative mechanism.

Mr Ken Brown: As I say, I happened to be in a home for a meeting Monday of this week and there was a nursing home inspector there on the premises, but it was a scheduled kind of thing; I don't know, had been scheduled for a period of a couple of weeks. I guess if you're going to do it in that fashion, it may not be any use bothering inspecting them.

I think the regulations are there, the compliance has to be met, and that standard should be met all the time, not just when you have an inspection scheduled. The standards ought to be met at all times, so an inspector should be able to walk in the door and say, "I'm here for a tour," do the inspection and make the report without scheduling it ahead of time.

Our experience is that they are infrequent and that they are scheduled with a substantial amount of advance notice, so it kind of defeats the purpose, I suppose, in ensuring compliance. Obviously, if you know what your requirements are and you know that they are going to be coming in and having a look at you, you're going to make sure that everything is as it should be. But it should be like that all the time.

Mr Wessenger: Thank you very much for your presentation. I'd just like to make one little point about your statistics on page 5 about institutionalization. It may or may not affect your conclusion, but the figure of 5.9% would relate only to homes for the aged and nursing homes. It would not include chronic care hospital beds or those 30,000 people included in rest and retirement homes. So if you took that into account, did the comparison, you might find Ontario is higher in institutional care.

Then I have a question with respect to your suggestion for whistle-blowing legislation. First of all, I'd just like to indicate that right now the inspection process does work on a complaints process, which results in an inspection without any warning. It would also act with respect to an anonymous complaint. Also, as my colleague Ms Carter said, we have the advocacy process, which would also help with respect to dealing with those situations.

I just have some concern that if you had this type of legislation of whistle-blowing, it might be counterproductive to the whole concept of quality management, because quality management really relates on the question of a very cooperative, consultative role between the employees and the employer, and I think we all want to encourage quality management in the process. So I'd just like you to comment on that.

Mr Ken Brown: I guess I would compare that last analogy to the occupational health and safety laws, where there is certainly a joint responsibility on the part of employees and employers to carry out the requirements of that legislation. Yet workers are well protected under that legislation. If they do get into work refusals or whatever because of an unsafe condition where the joint efforts to take care of it fail, the protections are there. We have difficulties sometimes, but I don't see that as undermining the whole process of occupational health and safety being a joint responsibility.

Have a joint responsibility but allow protection for somebody who says, "Even with the joint responsibility, they're not in my view doing what they're are supposed to do here, and I want to go a step further to complain about that or to get it looked after." They should be able to do that and be provided with protections.

Mr Wessenger: If I can just comment, my only concern is that it would seem the best process would be for the employee, if there's a problem, to communicate directly with the people responsible for making the decision. Maybe there are some instances where that's not possible, but that certainly is the ideal circumstance.

Mr Ken Brown: I'm not suggesting it's an end run such that you don't try to work out those concerns.

Mr Wessenger: Certainly the end-run situation is very counterproductive.

Mr Ken Brown: I wouldn't disagree with that.

The Acting Chair: Thank you very much for your presentation.

Mr Ken Brown: Thank you once again for your time.

PERSONS UNITED FOR SELF-HELP (WINDSOR AND ESSEX COUNTY)

The Acting Chair: Now, patiently waiting is the representative from PUSH—Windsor and Essex County. Could Ms Cowie come forward.

I'm sure the people who are in the audience will realize that we as a committee do try to get along, and hopefully it will not be necessary to order two buses to go to London.

Mr Jim Wilson: Just stick to the facts, Madam Chairman.

The Acting Chair: Welcome to the committee. I believe it is Joan Cowie.

Ms Joan Cowie: Yes, it is. You have to bear with me. I have a very, very sore throat.

The Acting Chair: Oh, dear. There does seem to be a mean bug going around.

Ms Cowie: I don't think the weather is helping.

The Acting Chair: Well, thank you for coming, and we await your presentation now.

Ms Cowie: Ladies and gentlemen of the committee, thank you for coming to Windsor. My name is Joanie Cowie, and some of you might recognize me. I was recently at Queen's Park addressing some of these issues on a more personal level. I have been a resident of Windsor and Essex county for my entire life. I'm 24 years old. I'm the president of PUSH—Windsor and Essex County, Persons United for Self-Help.

PUSH has been in existence for 11 years in Toronto and all over Ontario. PUSH has been in existence for Windsor just less than six months. PUSH is a provincial-wide group divided into six regions, and Windsor is part of the southwest region. We are a consumer-direct, consumer-oriented, cross-disability group. We advocate for the rights of the disabled as well as ourselves. Some of these areas include: transportation, employment equity, consumer direction, respite care, attendant care and accessible housing.

By reading Bill 101, I noticed that it was very vague about people with disabilities. It was more focused on institutionalization than integration into the community. Bill 101 has chosen to give rights to the people in institutions such as nursing homes, but has forgotten anyone living independently in the society. Everyone has a right to live independently, and this is our goal.

With Bill 101, consumers have no rights to services. An agency can cut services to the consumer at any time with no notice. This has been done several times in just Windsor alone. There is no recourse for the consumers. All consumers should have their rights protected. The government is not looking at consumer-direct funding in a broader context but just as a small pilot project.

In some cases, when the parent who has children is disabled, an attendant from an agency can come into the home and serve and feed the parent but will not serve the same meal to young children who are of small ages, yet they can go into another consumer/client home and feed a dog. I think this is very inhumane.

Does this make sense to the taxpayer, wasting money on agencies that have criteria and mandates that are outdated and need to be changed? In the consumers' eyes, this is a step backwards instead of forward. People with disabilities are a minority, but if you look at the statistics of the disabled, are among the least respected when it comes to their rights.

We, the consumers, can function independently within society, and though we need arms of assistance, we need not to be a burden. People with disabilities can work. People with disabilities can get married. People with disabilities can have children. People with disabilities can make decisions for their own lives and be successful in those decisions. Most important, people with disabilities can vote.

1150

The government must stop listening to the agencies' ideas and listen to the people. Most people with disabilities did not ask for their disability, and this does not make us ignorant of any of society's ways of thinking. We, the disabled community of Ontario, must start working with the government to help it understand why the long-term care reform is so important.

There is no legal protection for the disabled that covers long-term care. Under the current system, people with disabilities are protected by this law, and this leaves us very vulnerable. In most cases, agencies have good intentions in providing services, but who knows better what they need, when they need it or how it is to be done than the consumers themselves? Consumers should have maximum control over the services provided in their lives. Given the opportunity to direct their own services, consumers would have a say in their services. This would provide administration with "less headaches," and quality of work would hopefully improve.

Unfortunately, many service providers do not listen to their own consumers' complaints or ideas about the care they are receiving. Many service providers must listen to and have to rely on the family members to speak up so that their own voice, the consumer's voice, can be heard. This is very wrong. Just because you have a disability does not mean that you don't have a voice. What happens to the consumer who does not have a family or an advocate or a reliable friend? In a study done all over Ontario, the disabled are the most oppressed and depressed, particularly because of the lack of consumer input in their care.

Consumer direct funding is an issue that needs to be given a chance. I believe the government should not be wasting tax dollars on services that are not always provided or are not done properly. I am not saying there won't be any failures, but people with disabilities must be given a chance to learn from their mistakes.

There are many people living in SSLUs—support service living units, which is 24-hour attendant care along with housing—who are paying over and above a room that is smaller than an average jail cell. These people did not choose their disabilities and they do not deserve this inhumane type of living. These people deserve the utmost dignity in their care and in their housing.

Housing has become a large issue in the city of Windsor. Homelink is swamped with people who require accessible housing. Along with the housing comes attendant care, for which there is also a long waiting list. There are many apartment buildings that could be made accessible in the area, again, but where does the attendant care come from? "Attendant care" can be defined as personal hygiene, meal preparation, toileting, bathing and regular assistance with activities of daily living.

What about respite care for the families of people who are disabled? We have heard too often from supervisors, directors and executive directors that there is no funding. Why is this happening? If you live with or you are the main care giver for an individual who has a disability, a break is something you just don't have. My mother is a prime example. Is this fair? The disabled community wants to live independently but needs respite care to give family members a break. It also would give them a break from their family.

Agencies are getting funded for programs that are not always followed through and for meetings that are unnecessary. There is also a lack of recognition for consumer

groups that have valuable input for these issues. Effective consumer planning would improve their care.

After a child turns 18, many doors are closed and society is supposed to take care of them. We must start to make changes for the children and the families of tomorrow who will be facing this terrible mess. It can be avoided if we start today.

I am asking you to review and consider Bill 101 in the context of legal rights concerning respite care, attendant care, housing and, most important, consumer input. Are you satisfied that the concerns are adequately addressed in Bill 101 and present legislation?

The Acting Chair: Thank you very much for coming and representing a group very admirably. I'm sure that there will be questions here, that we will want to find out a little more on what the consumer and you think.

Mr Jim Wilson: Thank you very much for your presentation.

Ms Cowie: I'm sorry I didn't have a copy.

Mr Jim Wilson: Oh, it was excellent.

Ms Cowie: We will get you a copy.

Mr Jim Wilson: I think most members made notes. We do have the Hansard also to fall back on, so we know you put a lot of work into it. Don't worry about retyping it on to pages or something.

I share your concern that with regard the direct grants envisioned in Bill 101 and changes to the Ministry of Community and Social Services Act, both grants to individuals and organizations, the word "may" appears in those clauses. It isn't the firmest commitment the government could make. My colleague Margaret Marland, who deals with disability issues as the critic for the Ontario PC Party, has said many times that she and the groups she meets with are very worried that perhaps expectations are being raised with this legislation and that the government may not be able to meet all those expectations.

What I wanted to find out—and I've not asked this question, so don't mind if I take a moment—from the parliamentary assistant—Mr Hope isn't here, but, Chair, through you to whomever, what is the extent of the pilot project that's envisioned? Perhaps we could just have a quick overview of that, the dollars involved, the number of people served, is it geographically specific and any other details that might be available, because I don't think it's been totally fully outlined to the committee.

The Acting Chair: I'm checking here with the other parliamentary assistant to see whether or not we could address this.

Mr Wessenger: We could probably indicate in general terms, but the specifics are not yet worked out, Mr Wilson. Do you want to hear something in general response?

Mr Jim Wilson: Yes, except that all the groups representing disabled individuals have alluded to this pilot project, so I assume there's more meat on the bones than just generalities at this point.

Mr Wessenger: You'd like a status report, is that what you'd—

Mr Jim Wilson: Status and as much detail as possible.

Mrs Caplan: How about a statement of government policy?

Mr Wessenger: I am not in a position to make that on behalf of the ministry.

Mrs Caplan: That's an admission that the government either has no policy or doesn't—

Mr Wessenger: No, no. I'm not the parliamentary assistant for the—

Mr Jim Wilson: It worries me that we talk about this pilot project, which is bad enough in itself that it's only a pilot project and that you're raising expectations out there. You should be prepared at this point, since you've moved with legislation, to tell us at least what the pilot project is.

The Acting Chair: Mr Quirt?

Mr Quirt: The way in which the direct funding pilot project would be implemented is the subject of work being conducted now by a work group that includes representatives of people with physical disabilities and their organizations, so, in effect, rather than designing the thing ourselves we're involving consumer groups in its design. If memory serves me correctly, the committee has met three times. I'd be happy to ask my director of policy to do a summary of the work done to date by the committee and perhaps get a summary of the minutes of that committee or something that would give the committee a sense of what's been discussed to date.

Mr Jim Wilson: What is the government's commitment in terms of a time frame of getting this pilot project up and running?

Mr Quirt: My understanding is—and I have not met with the committee—is that they're aiming for a fall pilot and to start the funding in the fall of 1993. It may well be that better suggestions than that have come forward at that planning group and I'll be happy to report if they have.

Mr Jim Wilson: Has money already been set aside for the pilot project? If so, how much and what's the duration of the project?

Mr Quirt: The funding for the pilot project would come out of the commitment of $441 million to improve community services. The exact amount to be earmarked for the pilot project I don't think has been determined yet, because the pilot project hasn't been designed. It would be resourced adequately once people were comfortable with the design of it. We're hoping that we'll reach consensus with representatives of consumer groups on how that would be implemented.

Mr White: I think, as you've heard through that dialogue, which unfortunately didn't involve you directly—

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Mr Jim Wilson: Just her life.

Mr White: —we are now, with this legislation and with this government, moving forward in the area of attendant care. I think there are still important issues here, though. We've had a number of consumer groups here.

Ms Cowie: But they're different from PUSH.

Mr White: I know. What I'm saying is that I'm impressed that consumers in Windsor are active, involved,

and what I'm wondering from PUSH is, are you represented? Do you have people on the district health council?

Ms Cowie: PUSH Ontario does but PUSH Windsor, no. Like I said, we just started less than six months ago. What I've noticed just in the few meetings we've had is the fear. People don't want to come forward with their stories. When I went up to Queen's Park, my knees were knocking but I had a story of abuse to tell. The government is funding this agency and the agency doesn't care.

Mr White: Did you make your views known to the local people on the health council or to your MPP, your experiences?

Ms Cowie: My MPP, George Dadamo, knows all about it and so does my MP, Steven Langdon.

Mr White: Have they made sure that action was taken about that agency?

Ms Cowie: Not directly towards the agency. They have tried numerous attempts. I had my service cut. I have a form of muscular dystrophy. I have Guillain-Barré syndrome, which is a slowly deteriorating disease. I'm also a single parent. I have two children aged five and half and three. It's not just my life that I'm concerned about; it's my two children's lives.

If attendant care givers can go into another person's home and feed a dog, why can't they serve the same meal to two children? They won't do that, so then I end up doing it. Then they'll go and they'll wash my plate but they won't wash their plates. Does that make sense, government money being spent that way? I don't think it makes sense, plus it's wasting my fixed-income dish soap, to put it honestly.

Mr White: I think those are the very practical kinds of reasons that we need to have these kinds of projects. You need to be in control of your life.

Ms Cowie: That's why consumer-direct funding is so important.

Mr White: I think it took a great of courage for you to talk about those very specific, very personal issues. I want to thank you particularly for coming out today.

Ms Cowie: Thank you.

Mrs O'Neill: I have a couple of questions for you, Joan. You talked about your group being full of fears.

Ms Cowie: Yes.

Mrs O'Neill: I presume they're beyond fears of just revealing your situations. What are your fears regarding the attendant care aspects of Bill 101 or attendant care as it exists now? Could you be specific?

Ms Cowie: We have no protection. They can cut off your rights in a minute. You have no choice of the people who come into your home. The people who come into your home affect who lives in that home. I live on my own with my two children. Each and every individual who comes into that house, I don't care what the executive director or the director or the supervisor says, they affect my children and they affect me. When you have 16 people coming in to service you, that's 16 people you are taking your clothes off in front of.

Thank God, since I went up to Queen's Park and talked about more personal issues than I've stated here, it has been cut down to five; but even with those five, there are still attendants who were taken off because they had become "friends." You can't just walk into a house, bathe somebody and not talk about the weather. You can't go in and talk about, "What are you doing in school right now, or how is your correspondence coming along?" It just happens.

Mrs O'Neill: So do you feel Bill 101 will help? Is that your belief at the moment?

Ms Cowie: If they take into consideration the attendant care and the respite care, yes.

Mrs O'Neill: I wondered if you had any comments on the bill, including disabled children, as one of our presenters already stated.

Ms Cowie: I'm concerned about the disabled children of tomorrow because I do not want them to go through anything that I have gone through.

Mrs O'Neill: So you would like to see them included in this bill?

Ms Cowie: Yes.

Mrs O'Neill: Thank you very much, Joan, for coming to Queen's Park and coming here today.

Ms Cowie: Thank you.

The Acting Chair: I thank you as well for coming. I hope Bill 101 will address all of your concerns and those of the people you are here representing today. I appreciate your time in coming and thank you very much. I thank all who have come before us today. We really appreciate the time you have taken. I guess that will be the end of our hearings here in Windsor. Hopefully we'll be back again some day. The committee stands adjourned until we get to London.

Ms Cowie forgot something.

Ms Cowie: I'm terribly sorry. I just want to add that when you do take into consideration attendant care, when attendant care givers are removed from the home—when you have children who are able-bodied like my children, they have been affected tremendously because they feel that these attendant care givers that are friends hate them. I've had to reinforce with my five-and-a-half-year-old that, no, this person doesn't hate you, they've just been taken out of the house. This is why we need to be protected.

I have to hang a picture of one attendant care giver on the fridge so that my son won't break down because she can't come to our house any more. That's not fair and it's not fair for me to sit here as a mother and say, "I am disabled and I am sorry you have to go through all of this, having people come in the house, but it's not your fault that they left and it's not my fault either."

The Acting Chair: Thank you very much. I think that was very, very necessary to put on the record.

The committee recessed at 1208.

EVENING SITTING

The committee resumed at 1810 in Centennial Hall, London.

The Chair (Mr Charles Beer): I'm not sure whether to say good afternoon or good evening, but I think it's after 6 o'clock so I'll just say good evening, ladies and gentlemen, welcome to the first set of hearings of the standing committee on social development in London. My name is Charles Beer and I am the Chair of the committee.

I wonder if I might ask—and I see they have already decided to do that—to move into the chairs in front of us. It may be easier to see and listen to all of the tremendously intelligent questions that are going to be asked tonight as well as the presentations. We're delighted to be here. We have a full schedule of hearings, both tonight and tomorrow.

PARKWOOD MANOR

The Chair: Without further ado, we'll call upon our first witness, the representatives from the Parkwood Manor home for the aged, if you'd be good enough to come forward and make yourselves comfortable. I think I should tell you that you're not supposed to touch any of the buttons on these machines. They tend to self-destruct or bite back, or both. You'll see the red light come on. If you would be good enough just to introduce yourselves, not only for the committee but for the purposes of Hansard, then please go ahead with your presentation. Welcome to the committee.

Mr Robert Moreton: Thank you. My name is Robert Moreton. I'm administrator of Parkwood Manor, a home for the aged in Waterloo. Judy Zieske, who is our development officer for our fund-raising arm, has come along with me this evening.

I'm appreciative of the opportunity to appear in front of you this evening and relieved to see that it isn't a standing committee, that indeed there is a place to sit. I would like to read from my presentation exactly as outlined. You may have a copy in front of you at this time.

The Honourable Frances Lankin, Minister of Health, said in the Legislative Assembly on December 7, 1992, in reference to Bill 101, "The legislation before us is about funding and requirements of accountability in nursing homes and homes for the aged."

It's primarily because of those two components that I come to you today as administrator of Parkwood Manor, a non-profit charitable home for the aged in Waterloo, on behalf of staff, residents, the board of directors and families.

I had the opportunity to serve for a three-month period, from January to March 1992, as a consultant for the Ministry of Community and Social Services, interpreting and answering questions to various stakeholder groups on the public consultation paper, Redirection of Long-Term Care and Support Services in Ontario. With some missionary zeal, I bravely touted to all my audiences the four basic principles of the redirection's renewed vision, which I'm sure by now have been held over your heads as Damoclean swords: primacy of the individual and his or her right to dignity, security and self-determination; promotion of racial equity and respect for cultural diversity; importance of family and community; and equitable access to appropriate services. After all these years and several evolutions of the consultative process, I was naïve enough to believe the gospel I was preaching, and the time lines, I had been led to understand, were in place for the introduction and implementation of legislation and guidelines.

Towards the end of 1992 we saw a copy of Bill 101 and the first draft of the Long-Term Care Facility Programs and Services Manual. Neither of these documents fulfils, by language or implication, the four basic principles. Perhaps by now you've heard this message frequently and may perceive it is unsubstantiated paranoia.

Parkwood Manor, like many charitable homes in the province, is running at a deficit. We have now budgeted a third such year, losing over $250,000 on a $1.5-million annual budget. With anticipated deficit funding of $90,000, our losses for the 1993-94 fiscal year would be reduced to $160,000.

Our home is non-unionized and staffed below current Ministry of Community and Social Services guidelines, although we pride ourselves on offering a high standard of care and a degree of warmth in caring that is no better anywhere.

We have previously had the opportunity to share with Elizabeth Witmer, MPP for Waterloo North, the feelings of residents, family members and staff concerning the redirection legislation. I quote some of their comments to give you a flavour of our home and our concerns.

The slanted print that you will see at the top of the next pages are excerpts from the comments of various staff, family members and others.

Merna and Bruce Chambers, family members, had this to say: "We are glad mother can live in a place where she feels comfortable with others of her own cultural and religious background. It was more by good fortune than by design, because we were not given a lot of choice. We trust that that option will be open to all seniors in the future.

"The placement coordination service which will be incorporated under the proposed service coordinating agency is of great value to the community, eliminating confusion for seniors and their families looking for services. Everyone's concern about long-term care reform is that it will not increase costs unreasonably. We wonder if the SCA will add an administrative layer in the delivery of services or even create a bottleneck in accessing services if its case load becomes too heavy.

"We applaud the level of service given at Parkwood, the home-like atmosphere and the dedication of staff. The consultation paper states that 'The government will ensure a consistent standard of service and quality of care in all homes for the aged and nursing homes across Ontario.' We caution the government to be alert to the preservation of the maximum, not the minimum, standard of care and to carefully determine the degree of controls imposed that may affect time spent with the residents, staff morale and paperwork."

Parkwood's comments are in the bold print at the bottom of the page.

You will have heard "choice" mentioned hundreds of times. We fear that the all-powerful authority given to the service coordinating agency will restrict this.

We applaud the extension of existing placement coordination service networks. Waterloo is blessed with an excellent one.

Accountability measures in Bill 101 and the draft manual suggest more time spent on paperwork, to the detriment of resident care.

Eileen Baxter, another family member, comments, and I would just read the paragraphs that are bulleted:

"I hope the government, in its emphasis on deinstitutionalization, doesn't ignore institutional needs. As the numbers of elderly increase, a freeze on the number of beds in the province may not be practical. Money for support services in the home must be limited to a threshold which balances wise use of tax dollars and the needs of the senior citizens.

"For economy and security for family members and aged relatives, nothing can replace affordable 24-hour supervision and care that a place like Parkwood provides."

We acknowledge the importance of helping the elderly remain in the community for as long as possible. However, Bill 101 does not currently provide for admissions for basically social reasons.

We also agree that to be accountable to the taxpayer, the government will probably not be able to afford expanded community support, as suggested in the redirection paper.

Linda Bruder, one of our dietary aides, writes in her last paragraph:

"Other departments," meaning other than dietary and nursing, "including housekeeping and maintenance need additional staffing, but we are aware that this cannot be added without increasing our deficit. We hope that the government will carefully examine all components of care when it determines daily rates for facilities."

From this we have concluded and concur that graduated funding for nursing care provided is a noble aim. Our current per diem cost for extended care is $96.78; unionized municipal homes run much higher. Will we be able to staff according to need, which has been our concern for almost 10 years now?

Also, the fixed accommodation and program charges do not currently take into account service provision for heavier needs.

Connie Dimitroff, one of our registered nursing staff, contributed the following:

"A demonstration of the changing care needs is explained by the following two charts: The first shows the increase of care required by particular individuals. The second shows the results of studies done between 1988 and 1991. It's interesting to note that the acuity rating, or minutes of actual care, in 1986 was 3,592 minutes, jumping to 6,028.5 minutes in 1988 and to 9,502 minutes in 1991. In that period of time, staffing in the home increased by only a third. The simplest interpretation is that staff are working at least 50% harder than they were five years ago!

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"Besides the increasing frailty and complexity of care needs of our residents, other factors have increased our workload. These include: increased paperwork; more psychogeriatric needs; greater turnover of residents, as they are admitted later in life and have shorter residency here.

"A levels-of-care funding is welcomed, but it must address all the components of care. We hope that the resident classification system which we will determine the home's funding will be fair and foolproof.

"We have a strong concern that in its emphasis on deinstitutionalization, the government has not adequately planned to channel enough funding into homes for the aged and nursing homes, which still remain the option of choice for many and offer the greater security and highest quality of life at the most reasonable cost."

We feel the imposition of intrusive inspections, violating trust, autonomy and undermining morale will add an even greater burden to staff. We have no evidence from what we have read that staffing ratios will improve.

The following two pages are the charts referred to in the previous page, the first one showing, from right to left, the increases in care requirements for a number of our residents. You can see it almost doubling in some cases.

The following table, which you need to look at by turning your page, refers to progression of acuity ratings from 1988 to 1991. Referred to in the second column is our resident status—you can see we are a small home—the amount of nursing care given and the amount of nursing hours that were available at the time. The last three columns indicate the decreasing number of people requiring under 90 minutes of care, and the last column, the increasing number of those over 180.

Ethel Saunders, one of our Parkwood residents, is very dear to our hearts. We consider her our poet in residence. I think to close the representation of folks from our home, it is appropriate if I read something she has written.

"At first it is just a room and we put up with it as we did perhaps with a rented house. But gradually we bring in a few things from our former home—a special chair, our TV or radio, an afghan for the bed. But that's not all we bring; we bring the aura, that invisible radiation from the body that we can sense in others, if we but listen to it, of content, happiness, or the opposite, of misery or sorrow, etc. So we go into our room every day and, depending on the luggage we bring, that intangible something spreads out and fills what was once just a room; a rented house becomes ours, our special place, our home.

"It doesn't really matter whether the building is big or small, it's what we bring to it that counts, whether we have a house, an apartment or a room. We make it home by our very thoughts. A well-loved article, a picture or a special piece of furniture will reflect back into your aura and into the room, and it in turn can be sensed by others when entering, and they will be apt to say, 'My, what a cosy room,' or 'a lovely room,' and you know it is home."

Ethel puts her finger on the nub of our concerns around the intangibles that make a house a home which no legislation can measure or guarantee. In support of this, I quote

the following position paper on Choices and Alternatives, printed by our provincial association in September 1991:

"Home is an attitude: Policy makers like to suggest that seniors would prefer to remain in their own homes at all costs. But what really is the preference of seniors? Is it where they live or is it assurance that his/her lifestyle, independence and dignity will be preserved? That is, when a senior states, 'I want to remain in my own home,' it could mean, 'I like my own familiar things around me, I am afraid of change and I want to be able to control my own life, eat the food I like to eat, wear the clothes I want to wear and continue with my physical routine.'

"Institutionalization can be attitude as opposed to the actual physical move. Living in a facility does not preclude the ability of a senior to live his own lifestyle. The facility is able to review the needs, values and preferences of individuals and work with them in determination of services and programs that best meet these needs. An evaluation is necessary to determine whether the quality of services and lifestyle of the senior is richer living alone in his or her home receiving packages of services or living in a facility with a family environment, psychosocial supports and health care. Government policy and funding must support quality of life for seniors, regardless of where they choose to make their home.

Quality of life is dependent on many factors, not simply the provision of physical care. Government must acknowledge that a tolerance threshold for community-based services exists for the family unit. There is a service level at which both the care givers and the care recipient benefit from facility-based care.

Bill 101 goes a long way in bringing together long-term care under one legislative umbrella, in creating a more user-friendly and equitable system. The system overhaul is long overdue. We support the bill and urge its swift passage incorporating the changes in wording to the Charitable Institutions Act as suggested by the Ontario Association of Non-Profit Homes and Services for Seniors in its February brief to the committee.

Some of these changes were ones that allow participation in placement decision-making by the home, resident and family as well as the service coordinating agency; that will permit appeals by the charitable home regarding admissions; that will take into account existing physical characteristics of facilities; that will protect the climate of partnership that has existed between homes and the Ministry of Community and Social Services and discourage an adversarial and inspectoral system.

In closing, I would like to thank the committee again for the opportunity to appear before you. I feel somewhat that this issue is similar to what the secondary schools are going through with their destreaming at the moment, where there opponents are complaining of poor timing and lack of working detail; that is, the curricular and finding frustrations.

Our concerns are probably the same as many you've heard. We need to know funding levels at the earliest opportunity. There are other things we question, such as an income-based user fee, which we can see will only cost the government more money. We're unsure whether married couples will be able to live in the same institution if one is well and the other is not. We applaud what I heard from Mr Quirt last week concerning capital funding, that the aim will be to direct it at priority of need. We are pleased to hear this.

In closing, thank you again. Please help us as soon as you can.

The Chair: Thank you very much for your presentation, and in particular the poetry of Ethel Saunders. I think that sets it all out in a very fine fashion. We have a number of questions and we'll begin with Mrs Caplan.

Mrs Caplan: Over the last days of hearings we've heard a number of concerns very similar to yours, and some of the suggestions that have been made vary slightly from the recommendations of any particular group. One of the ones that I would like to ask your opinion on would be an amendment on the issue of admission that permitted any long-term care institution to deny admission on the basis of the fact that appropriate care would not be available in that institution and then have an appeal process if that wasn't satisfactory and also then allow, by regulation, to look at what was meant by appropriateness of care. That would take into account the physical characteristics as well as the availability of staffing or the multicultural nature. Those could all be spelled out by regulation. Could you respond to what you think that kind of amendment might do for this legislation?

1830

Mr Moreton: I can see it would be a very favourable amendment. We are fortunate with our placement coordination service in Waterloo, where we have a very collaborative relationship with them and they understand our difficulties. I guess our fear is that perhaps with the change of personnel they might use their rights within the bill as a club, and we might not have such a happy relationship.

Mrs Caplan: So you would want enabling legislation that would foster and support those kinds of ongoing relationships.

Mr Moreton: In order that the home would have the opportunity to participate in the decision as much as the placement coordination service agency.

Mrs Caplan: The other recommendation that we've heard from a number of presenters is that rather than the adversarial inspection system that exists in the bill today, there would be another alternative, one that mandated accreditation, perhaps by the health care facilities accreditation association, both accreditation for management and programming on the basis of their standards that are set and also a mandate for some kind of a quality management program to be developed within the institution. Then the accountability back would be how that program functioned and what the result might be as determined by the accreditors. Would that solve your concern around adversarial inspectors?

Mr Moreton: The bill and the draft manual do specify that a quality assurance program should be in place, so I assume that will remain, and I don't quarrel with that. We are not an accredited home. I have always felt that we are

providing everything that accreditation would demonstrate, and for us it hasn't been an economical thing to do because the money we would spend on accreditation would cancel out the little bit of increase we'd get in subsidy.

On this subject, I can only repeat what a Ministry of Health representative said at the meeting at the Marriott Hotel last week on this question, that perhaps accreditation was not the tool that would work out the best since it was focused on policy rather than on demonstrated quality; in other words, the feeling that you could have a lovely shelf of policy and procedure manuals and yet not be following any of them and be tested in what you had in writing rather than the atmosphere end of what was actually happening. As we have not been accredited, I can't speak to the truthfulness of that, but I thought it was an interesting comment.

Mrs Caplan: What would your suggestions be, then?

The Chair: Last question.

Mrs Caplan: Last question? What kind of a replacement would you have instead of the adversarial inspectoral system that is proposed in this bill? What would your suggestion be to ensure that accountability of quality of care and good management of the facility?

Mr Moreton: I'm not asking for a withdrawal of any sort of compliance officer, inspector or whatever you call the policeman. I think the main thrust from homes for the aged that I sense, and feel myself, hearing things in the nursing home sector, is that we feel it is a demoralizing process they go through; if it can be just a softer approach, again, a more collaborative working together. I think a lot of the wording of the act has got to reflect that. We can still work the same way we always have. We will cooperate as we do with the health inspector, but nobody shakes in their boots when she walks in the door. That's just the sense we have now, and I guess that's why I referred to paranoia in my opening remarks, because I'm sure you've had a sense of that from many speakers.

Mr Jim Wilson: Thank you very much, Mr Moreton, for really an excellent presentation. It's very useful to the committee since you were involved in the process and helped sell the process in its initial stages. It's quite courageous of you to appear before the committee and share your points of view with us. Elizabeth Witmer did speak with both Cam and I about the home. A question that was left in her mind, or that she left in my mind, was, because you're not accredited now and given your funding shortfall and your deficit position, just in general terms to come up to the standards that may be required under the new service agreement arrangement, what type of hardship is that going to place on your home? Given that you probably have in the back of your mind some idea what the government's new rates are going to be and the availability of funding? I want to know what kind of hardship that may place on your residence and on your home.

Mr Moreton: I can't predict at the moment because I do not know any of the dollar figures, which we've been pressing for. We hope that at the February 24 meeting we will actually hear some numbers. We budgeted for a 12-month period, from April 1993 to March 1994, taking the worst possible scenario but feeling that we may very well have to roll with that. I really can't give you an answer until I know the deadlines for compliance, what grandfathering of certain things there will be. I'll have to know more of the rules before I can give you an answer.

In a general sense, if it robs staff of direct resident care time and we can't afford to pay for it, obviously it's going to have an immediate effect on the care of the residents, but I wouldn't hazard a guess whether it is.

Mr Jim Wilson: That's fair. We find that with a number of homes, because all of the information isn't available yet from the ministry.

I want to go back to a point that you made under Eileen Baxter's comments, and it's point number one, where you obviously are very familiar with the draft manual and its eligibility criteria. You make a very good point here, because it's a point that's often made in my own riding, that admissions likely won't be allowed, as you word it, for "basically social reasons."

The committee is aware of the experience I had when the government was going around talking about long-term care redirection and we held an evening in a particular municipal home for the aged and I had a couple of ladies come up to me afterwards and express the fear that in fact they may have to move out of the home because they wouldn't necessarily qualify under what was being talked about.

I said: "Well, no. Don't worry about it. We'll straighten it out." She said: "Thank God. I've peeled enough potatoes." She was damned if she was going to go back and be the labourer for the family on the farm. She was having a great time in Simcoe Manor in Beeton. She happens to be a cousin of mine, so I don't feel bad using her as an example. Can you give us your thoughts on that?

Mr Moreton: I can't quote the figures of waiting lists throughout the province for homes for the aged and nursing homes, but for Parkwood again, to be specific, we have 20 on our extended care waiting list and 20 on our residential waiting list, and with a turnover of only 12 to 15 residents a year, those folks are going to have to wait.

I am concerned about the eligibility criteria if someone who has been on the waiting list for a period of time is bumped by someone who is determined to be a greater priority by the SCA. If those priorities will be basically heavy or physical care and take precedence as emergency admissions, I can't see the person who needs—their loneliness, their desire for company, unable to manage, kind of borderline—ever having a chance to come in. That's my fear.

Mr Jim Wilson: Do you see the SCA or the placement coordinator's role as perhaps intentionally choking admission to the homes? I appreciate your early comments when you said this legislation doesn't appear to fulfil the promises made and the language used to sell redirection and long-term care reform earlier on, and I get the distinct suspicion that what we're setting up is a way to choke admissions so that people will be forced to stay in their homes and find other alternatives, rather than go into nursing homes or homes for the aged.

Mr Moreton: This is my sense from what is spelled out. Again, to me it depends on the staffing of the SCA and how flexible it can be, but obviously the strict interpretation would be very harsh for some people.

Mr Jim Wilson: I'm just about finished, Mr Chair. The government will tell you that its intention is otherwise, but I won't believe it until we see some changing of the wording of this legislation and of the policy manual. I hope your association and you yourself will keep fighting along those lines.

Ms Judy Zieske: May I make a comment?

The Chair: Please go ahead.

Ms Zieske: My mother is on the waiting list for Parkwood Manor, and probably if this goes through she'll not be able to get in because her need is mostly social; from a small social surrounding, only child—I do not give a large social support, being a single parent—and probably she will not get in for that very reason.

The Chair: Mr O'Connor.

Mr O'Connor: Maybe I could just pick up right from where you left off. It's a good point. I realize that in drafting legislation quite often it's in legalese or some other language that isn't really easy to read. So when you talk about the intentions, and of course the redirection paper, the consultation paper went around, you wonder where that got left out. I think we'd like to try to put that back in there somehow.

Is it your feeling that a centralized placement coordination would then limit the choices of your mother? Here's your mother needing to get into some sort of housing that's going to supply her needs, and currently you would have to put her on a waiting list. Is there only the one, or would you have her on a waiting for maybe two or three or would you put her on a waiting list with the placement coordination service and state your choices? What would be the best, do you think?

Ms Zieske: She has stated the three choices that she has requested. Her primary choice is to come to Parkwood because I work there and I could be a better support for her. Being a single parent, I cannot be the support of what is expected, and not having a lot of brothers and sisters, I'm her sole support. I have a great fear that when she gets more isolated due to not necessarily significant health problems but through blindness and some other things, she will not go to Parkwood or to any other home because she will not qualify. She will not be ill or have strong enough medical needs to go.

1840

Mr O'Connor: One thing we did hear was that people may perhaps go there with their spouse into a setting that's going to take care of two needs at once. What happens if one of the spouses dies? I don't believe there would be the intention that we would be sending that other person back to find a room in a rooming house or anything like that.

Perhaps we should get some clarification from the ministry people, because if that's the case, then I think we've a serious problem on our hands. If I could, through the parliamentary assistant—

The Chair: Yes. The parliamentary assistant has a couple of points that he wanted to make. I'll allow that and then I'm afraid we'll have to move on.

Mr Wessenger: Let me just say that the point of clarification that the other parliamentary assistant raised is the one I wanted to have staff clarify, so I think that works out very well, if I could do that.

Mr Quirt: Geoff Quirt, acting executive director of the long-term care division.

You've raised a very good point about the eligibility criteria and the way the description of those criteria in the first draft of the manual reads. I think the point you've raised is that often someone's requirement for assistance with the physical activities of daily living may not be a major factor in determining whether admission to a facility is appropriate. As you would well know, there are many people who require a great deal of assistance with the activities of daily living who get that assistance from family and friends who would never consider putting their name on a list for admission to a long-term care facility.

So in determining whether someone can be adequately served in the community, in determining eligibility, many more factors other than their physical limitations have to be taken into account: their family circumstances, if they are isolated, lonely and afraid of being alone in the community. That can be a major factor in determining whether they can be cared for adequately in the community.

Part of the process in determining eligibility is also to make sure that clients make informed choices once they understand what's available to them in a community setting, and also that they know what options they have vis-à-vis facility placement. I think you'll see that language and that intention more clearly spelled out in subsequent drafts of the program manual.

I'd remind you as well that the manual is not a static thing. We have asked for the assistance of both provider associations and consumer groups to work on a regular review committee on that manual to make sure it reflects to the greatest extent possible a consensus about how services can best be delivered in the facilities.

The Chair: Thank you very much for coming before the committee, particularly with the inclement weather and coming as you do through what is normally the worst of it. We appreciate your presentation.

If the committee would bear with the Chair, I want to just note a couple of changes which I'd like to make in our schedule. I would like to thank the representatives of the Victorian Order of Nurses, who are here but who have agreed to the following.

You'll see on your schedule the presenter at 9 o'clock for the Ontario Advisory Council on Disability Issues, who requested if possible to come earlier. I would like to meet that request and invite her to come forward. I would also note, while she does so, that there are representatives as well here this evening from PUSH, Persons United for Self-Help, who were to be on the schedule—at least the one we had, but I think there has been some confusion—tomorrow at 6. They are here, and I would like to allow them to go forward as well. So if we can do that, I think

that would facilitate everyone, and again, with thanks to the Victorian Order of Nurses for allowing that.

ONTARIO ADVISORY COUNCIL ON DISABILITY ISSUES

The Chair: We'll proceed, then, to our next witness. Professor Van Hoof, if you would be good enough to introduce yourself to the committee and for Hansard, and then please go ahead with your presentation.

Dr Shirley R. Van Hoof: Thank you very much. I'm Dr Shirley Van Hoof. I am chairman of the Ontario Advisory Council on Disability Issues.

On behalf of the Ontario advisory council, I appreciate the opportunity to speak to you today. In general, council supports the redirection of long-term care and welcomes the shift in focus from institutional care to supporting people in their own homes.

The Ontario Advisory Council on Disability Issues was established in 1975 to advise the government of Ontario on matters of concern to persons with disabilities. Council provides its advice to the Minister of Citizenship, the Honourable Elaine Ziemba, who in turn brings those concerns to the attention of the government. Council members come from different parts of the province, different backgrounds, and have different disabilities or advocate for persons with a disability. Currently, there are 14 members on council.

I will begin with some general comments and then focus on such specific issues as community supports and direct individualized funding.

Council believes that the Ministry of Health can achieve significant savings while providing services that are universal, consumer-controlled and community-based.

Council supports the principles of the Premier's Council on Health, Wellbeing and Social Justice. However, certain issues need to be addressed in order to meet the needs of persons with disabilities.

During their education, health care professionals must be made aware of the right of persons with disabilities to be self-managers and self-decision-makers. They must be made aware of the abilities of persons with disabilities, the importance of independent living, and the importance of an holistic approach to health care, including networking with community services and resources.

Basic care must respond to an individual's needs, including the provision of interpreters, guides or translators.

Health care must not be apportioned according to the person's ability to return to gainful employment.

Psychiatric issues have been ignored or sidestepped too long. Attitudinal differences between medical and psychiatric conditions must be investigated and eliminated. Community supports for persons with a psychiatric disability are at least as important as for those with a physical disability.

→ Council strongly recommends that community supports be increased now for persons with disabilities who have chosen not to live in institutions. I plead with this government not to abandon persons with disabilities and the elderly in this reform of long-term care, as has been the case for the deinstitutionalization of persons with psychiatric disabilities. Beginning in the 1960s, many psychiatric hospitals in Canada were closed, but the promised community supports never materialized. Many of these same people can be seen living on our streets today.

I am terribly concerned that the reform of long-term care is now showing signs of repeating these mistakes. Council has heard that the home care hours available per month have been cut back, while recovery time in hospital has been shortened. Thus, people who are being discharged from hospital are indeed not sent to hospital when significant support and care are needed. It is irresponsible to begin withdrawing services from institutions, either acute or chronic, before equivalent support services are available in the community.

1850

Council knows of a 21-year-old who had to be admitted to a nursing home as the care giver's back had been injured while transferring the person. Home care was not able to supply the hours needed to assist this young person to arise in the morning and retire in the evening each day. The cost of just a few days in a nursing home would easily pay for home care for the full month. The problem in this case is that the dollars come from different pockets. I think the government knows what that means. It's that one pocket often doesn't know what the other one is doing or one hand doesn't know what the other one is doing.

Council believes that direct individualized funding gives choice, flexibility and control. Direct individualized funding gives the person with a disability as close to normal choices as possible. They would get to choose who assists them, when they get assistance, where they are assisted, with what they are assisted and why they are assisted.

Now, these are normal choices that everybody gets to make, but when you live within a supported living unit or have an assistant under another program, you don't get to make those choices. You get who comes through your door to help you into bed at night or get you up in the morning. You don't have a choice.

With direct individualized funding comes the right to hire and train their own attendant, take their attendant with them to work, visiting, on vacation or wherever they need assistance. Their responsibilities would be to manage their scheduling, finances, employees and personal affairs in the most appropriate manner.

It has come to the attention of council that renewals of orders in council can come as often as every six months. One mother stated that it was devastating to continually have to say the depressing truth about her son's poor outlook for the future and list his many disabilities so often. With lifelong disabilities, frequent reassessment is unreasonable. I think you have to realize that many disabilities are lifelong, improvement is not expected and often deterioration is what the future holds. Continually having to be reassessed and renew your application is very difficult, because you often have to say very bad and depressing things about yourself or your child. I think that if you can come to some reasonable agreement about when these renewals should come up, timing is a big thing.

→ Council believes all persons who need assistance should be eligible for direct individualized funding. They could choose direct management of the assistance or an advocate

to assist them or take over full management for them. Those who do not wish to use this new support system can continue on their own present system.

Council believes that direct individualized funding would give persons who need assistance more control over their lives. Family relationships would be normalized to be interdependent, not dependent as so often happens now. Persons could live where they wanted, as their assistant would not be tied to their residence, which is now usually the case. Work, recreation and vacation could all be enjoyed as the attendant would be present if the person chose.

Council believes that with the assistance of attendants persons are empowered to plan and participate in life fully. Although the recipient is appreciative of the help, he no longer needs to feel beholden to friends and relatives for continual help. Persons can feel that they can do things themselves. There is nothing like the new-found freedom of inviting guests for dinner and not having to ask them to assist in preparing the meal.

In summary, the Ontario Advisory Council on Disability Issues continues to support in principle social legislation brought forward by this government. Our support for long-term care reform remains and we look forward to continuing to work with you.

Long-term care is an issue of vital importance to persons with disabilities in this province. It is imperative that the momentum of this reform be sustained. While I recognize that recent changes to cabinet have resulted in new ministers of Health and Community and Social Services, this restructuring must not be allowed to impede the progress of this reform. Persons with disabilities and the elderly of this province have been waiting patiently for almost a decade for some fundamental changes to the system.

Council strongly recommends that community support services be strengthened and funding increased dramatically, that institutionalization of the elderly and persons with disabilities be an option accessed by their discretion when necessary for their continued care. Referring to the person before me, I think it has to be the discretion of the person involved, whether they enter an institution or remain within their own home.

Council also strongly recommends that amendments to current legislation proceed quickly to allow universal availability of the direct funding option for attendant services.

I thank you for hearing me today and if there are any questions I'd be pleased to answer.

The Chair: Thank you very much, Dr Van Hoof, for your presentation and we'll move right to questions.

Mr Cameron Jackson (Burlington South): Thank you, doctor, for an excellent brief.

I wanted to go directly to the amendments in the Ministry of Community and Social Services Act. I'm dismayed by the reference to funding that "may" flow from time to time, and words which I'm sure you find unusual, that may be "appropriated by the Legislature," which is rather a unique phrase in law. Generally a program is entrenched in law, but this says the disabled "may" have access to funding if the funds are specifically allocated by the Legislature. That's very unusual in legislation. I'd like to get more of a focused response to you on how much confidence you have in the way that is currently worded.

Dr Van Hoof: We've been very, very unsettled by the lack of progress. As you know, Mr Charles Beer is here today. He promised us 500 positions of individualized funding back three or four years ago, and it really is disheartening that we've had to wait this long. Now we are at a point where they're saying this is going to be a pilot project, with no numbers: they don't tell us how many numbers will be available.

Orders in council have been in use since 1977 and it has proved very good. It seems to work and I just don't understand why it has to be a pilot project; why we can't go ahead with the funding, because we know it saves money. You don't pay for bricks and mortar when a person's in his own home. If you're in an institution you're paying for bricks and mortar; you're paying for light and heat; you're paying for all kinds of things that, if people live in their own home, they pay for themselves, and all the government is paying for is someone to come in and help them for a certain number of hours a day. I think not only is it good for the government, it's good for the people, because they have their things around them; they have their people; they follow their normal routine.

I think it's a win-win situation. I would like to see the funding entrenched and it not be a pilot project but a startup program. You may have to start slow. I like the 500 number; that's what we lobbied for at that time, so you get your feet under you, I think, and get to know the system a little bit better.

Mr Jackson: Doctor, I'm sorry to interrupt you. My colleague asked the question the other day and the response we got was that they had no information with respect to any pilots—no numbers of spaces, no dollars allocated—and we have to accept that as fact, from this government.

What is of concern to me is that, separate and distinct from long-term care, we have a document which indicates that the Ministry of Community and Social Services has to make a $1-billion-plus cut to its budget over the course of the next three years. This legislation speaks to the differently abled community, raises expectations, but absolutely nowhere can we see one ray of light that there's going to be some kind of response with the program. I don't wish to sound negative: I'm trying to be deadly practical here, pragmatic, but all the evidence out there is that this is not a priority in the context of this legislation for this government, and we're not seeing it mentioned anywhere. The $1-billion-odd cuts to Comsoc must just have the differently abled community shuddering.

I know my colleague wishes to comment, if there's time.

1900

Dr Van Hoof: I'm afraid it does make us very nervous. The only thing that we can hopefully depend upon is, if they're trying to save money, we think this does save money. We think it does help out. As I say, I think it's a win-win situation. If I can only appeal to their wallets, I would say that this is a good program.

Mr Jim Wilson: Thank you, doctor, for your comments.

You also looked at the fact that you felt that while the direction and the intent of reform in the long-term care system is good, perhaps the government put the cart before the horse. We've had 5,300 hospital beds closed since this government came to office; 2,800 ONA nurses laid off—we're not sure of all the other figures that belong to other unions and the non-unionized—VONs laid off throughout the province, including Waterloo, which is going through a tremendously trying situation with public health nurses; we've seen eastern Ontario VONs laid off. Would your strongest recommendation be something to the effect that there should be a moratorium on any further layoffs and hospital bed closures until the government actually gets community-based services up and running?

Dr Van Hoof: Certainly. Two years ago, we made a presentation to them asking that they not move at all on institutional downsizing until the community supports were there. They promised that would not happen. They promised that they would have the community services up and running, there'd be no sweat, because they knew it was a better program. It hasn't happened.

I fear that we're going to be back in the situation that the psychiatric patients are in. It's been shown that hospital beds are down, that they are not admitting patients to hospital as they were when they need support systems. They are counting on the community services to absorb them, and they aren't able to. So we're in a very difficult situation and it's going on as we speak.

Mr Jim Wilson: And in spite of this bill, it's projected to get worse with the Comsoc cuts.

The Chair: I'm afraid we'll have to move on to Mr Hope. Just for the record, that announcement was in the spring of 1990.

Dr Van Hoof: The spring of 1990, so that's three years.

Mr Hope: Mr Jackson used the words "a ray of light," and I'd like to use the phrase, "ray of hope," because I believe the opportunity is here to make progressive change, and I think this change in the act is one that's very much needed.

We heard a presentation this morning about a young lady with two children, and the attendant care would only take care of her and not her two children. I think if we look at this legislation—everybody's fearful of legislation, because we never know what the lawyers have come up with in developing the wording—I guess it's the intent of the government.

There are a couple of questions I have to ask you. Through this process, I've heard a number of things and I've been trying to understand where they're coming from. Some people are asking for the attendant care aspect to be somewhat regulated. I heard you use the word "training," training your own staff or training your own individuals.

Dr Van Hoof: Yes.

Mr Hope: I'm hearing people saying, "No, there has to be a training mechanism for these individuals to meet certain criteria before they can become..." and I just wanted your viewpoints on that.

Dr Van Hoof: I really don't like that. I would like them to be trained perhaps in first aid, perhaps in lifting techniques, perhaps in ways not to drop me or anyone else, those kinds of things—safety issues—but don't train them how to give me a bath or how to dress me or whatever, because that is a very personal thing, and I know how I would like things done. It has to be the consumer's wishes that are brought to the fore.

So often in hospitals, things as mundane as taking urine samples—being a doctor, being in a hospital is a very scary things. You see a nurse come in and take the urine sample out of the urine bag that's been there for four days. You know it's got to be growing something and you say: "Please, that's not how you take a urine sample. I've been doing this for three years and this is how I always do it, and blah, blah." So of course they put you on antibiotics because your urine bag's infected.

What happens in the home is going to be the same thing. If you train them in community college, they're going to come into your home and say, "This is how you wish someone; you start with the face and you down the arms etc," instead of listening to how the persons want things done and how they want their home arranged. Already my housekeeper comes in and says: "Wouldn't the lamp be better at the back of the table? It doesn't look right at the front of the table." Well, I can't reach it if you put it at the back of the table, and then I have to have someone even turn my lights off and on.

It's important that the consumers be in control, that the consumers basically train their helpers to do things their way, the way they want them. It's my house; it's my body. I would like my helper to do things my way. With the regimented training they will get in the community college, they're going to come in thinking they know best how to help me, and I don't think they do. I think, as I said, the lifting techniques or whatever would be fine to keep them safe and me safe, but don't train them in all these other things that are better done left to the consumers or their advocates. If it's a child, the parent will know how best to handle so-and-so, and if you do it a certain way, it's going to upset the child or the person. Routine is a thing that I think is hard to break, and if a child has been raised that you do things in a certain order or a certain way and a helper comes in and wants it done differently, then it's going to be very hard on the child to make that change.

I think the consumer has to be in control of this thing. You're going to waste a lot of dollars training people to do things and then they're going to want to run the show. The consumer has to be in control. Don't waste your money on training them.

Mr White: If I understand correctly, at the moment, in order to receive attendant care that's consumer-driven, consumer-directed that you are in control of and that maintains dignity in your life, that requires an order in council.

Dr Van Hoof: Yes.

Mr White: So it's something above and beyond the law as it presently exists.

Dr Van Hoof: Yes.

Mr White: Now, with the amendments that we're presently looking at, it will now be possible, under law, to do that—

Dr Van Hoof: Yes, it'll be—

Mr White: —with the approval of an area office or the minister's office or whatever.

Mr Jackson: Maybe.

Mr Jim Wilson: If you're in the pilot project.

Mr Jackson: Maybe.

Mr White: Is that correct?

Dr Van Hoof: That's what we're hoping for. I'm hearing maybes and such. I know we have been promised, as well as politicians can promise us, that this is going to be a fact, you know, and I really hope that it does come to be because it'll be cost-saving for the province, it'll be dignity-saving for us, it'll put us in control of our lives. I listed the differences it's going to make to us. It'll give us a freedom that you take for granted, that everyone takes for granted. When you go somewhere you can do whatever you need to do; you can go to the washroom when you're at work.

But right now, if I have attendant care where I live, I can't take my attendant to work so I basically can't go to the washroom at work unless they supply me with an attendant. It becomes very problematic with leaving my house. I can't go out for dinner or whatever because I can't take my attendant with me. But if I pay them, then I schedule them for how I need them and I tell them what I need done, where I need it done etc.

Mr White: And with this happening—

The Chair: I'm sorry, Mr White; your time's up and we still have another set of questions. We're running out of time. Mr Wessenger.

Mr Wessenger: Thank you very much for your presentation, Dr Van Hoof. Contrary to what Mr Jackson said, the language in this legislation is normal legislation and is all questions, really, involving programs. It's the political will that's relevant, not the wording in the legislation.

Mr Jackson: I wasn't questioning that.

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Mr Wessenger: I'd like to just ask ministry staff to clarify with respect to the whole question of the pilot project aspect.

Mr Quirt: Yes, I'd like to clarify that the funding for the direct funding pilot is available to us from the commitment of $441 million to invest in community services in long-term care, and in developing the pilot we really had two choices. We could have designed a pilot program and said, "This is how it's going to work and this is how much money we're going to spend in this many sites with this many people and these are the types of things you can do with the money." We chose not to do that and we're working with a group of people who represent consumer interests, consumers of services, who are people with disabilities, and we've met three times with them. We'll continue to meet with them to design the pilot collaboratively, as opposed to government designing it in isolation.

Dr Van Hoof: Excuse me. Is that the Attendant Care Accident Coalition you're meeting with?

Mr Quirt: They are represented on the group we are meeting with, to the best of my understanding, and as I mentioned to the committee this morning, we'll be developing a short report on the progress to date of those meetings to design the pilot and provide it through the parliamentary assistant to the standing committee on social development. We'd be happy to provide you with an update of our work towards designing the pilot project that we hope would be implemented this fall.

Dr Van Hoof: I'd appreciate that.

Mrs O'Neill: Thank you so much for coming, Doctor. You have revealed a lot about your own personal difficulties. I know that's not always easy and I thank you for that.

I wanted to ask you, as chair of the Ontario Advisory Council on Disability Issues, we see nothing in the legislation about children with disabilities. Has that been part of your discussion at all on your advisory council?

Dr Van Hoof: Yes. This year children have been our focus, and we have family profiles of 10 families that emphasize the problems they have had in getting services. Through orders in council, families do have funding for attendants to go in and provide assistance to the families during the day. They also have a program for respite care. So they do have programs through orders in council, and as I stated in my brief, I would like to see anyone who needs assistance to be eligible for the direct individualized funding, whether it goes directly to the person or to someone who cares for him or her, such as parents, or whether it's through someone who I decide should manage my funding, because not all people can manage the funding. If I would like to appoint someone to help me or to manage it completely, that's who I think—I think everyone who needs assistance should be eligible for this direct funding.

Mrs O'Neill: So you're speaking on behalf of the children or their advocates as well in the direct funding mode.

Dr Van Hoof: Yes. I don't have authority to speak for children because we don't have children on the advisory council, but certainly their presentation to us indicated that this would be beneficial to them.

Mrs O'Neill: Okay. I just wanted to ask you, "Council strongly recommends," and your first statement says, "Community support services be strengthened and funding increased dramatically." You know what the condition of the provincial budget is.

Dr Van Hoof: Yes, I do.

Mrs O'Neill: I know you've stated that it would be more cost-effective. Do you really think this is going to happen out of Bill 101? I'd like you to say a little more about how you think that can happen in 1993 in Ontario.

Dr Van Hoof: I think if they take a look at dollars going to be saved by providing care at home—I stated the problem with the 21-year-old who had to go into a nursing home because his care giver hurt her back. If you can keep that person at home, you're going to save thousands and thousands of dollars by providing—all you're going to be

paying for is—they probably need three hours in the morning and three hours in the evening and perhaps, I don't know, two hours some other time. You're not paying for the institutional rate that you're going to have to pay for day after day after day for that person in the nursing home, and you're not going to have to pay for other care for him because of the setting he's in. A 21-year-old in a nursing home is not a good place to be, because the care is not geared for that age group at all. They may need psychological counselling; they may need all kinds of things afterwards, you know. So the costs are great for putting that person in a nursing home, and I think if the government can ever stop thinking about pockets and think about the overall cost to the government—

I have to digress a bit. It reminds me of persons being transferred between hospitals for tests or whatever. The person is sent by ambulance. The cost is $181 to transfer, even if it's two blocks, for that ambulance to take them. A lot of these people can be put into wheelchairs and put in an accessible taxi for $20, but it comes out of a different pocket. The person at the hospital just signs a chit for that ambulance to come and go. If they take him by taxi, there's money or some kind of different mechanism that person has to pay for. Because it's easier to sign the chit for the ambulance, that person's sent by ambulance. That happens all over the province and costs megabucks to this government.

We've lobbied about this as well. Get your heads straight that the bottom line is the money. You're going to save $150, probably, every time you transfer a patient by sending him by accessible taxi. The same goes for the money you're going to save by keeping that person at home rather than putting him in a nursing home. It happens to elderly couples where usually the female is the nurse and provides nursing care to the disabled husband. If for some reason she cannot do that and he goes into a nursing home, even for a week, you could have paid for a helper to go in and help that family maintain the person in the home. Usually, if that person goes into a nursing home, it's weeks or months before he gets back into his residence. During that time this government has spent money. I know it comes out of a different pocket, but it's still your money and my money that pays for that.

Mrs O'Neill: Thank you so much for your personal and professional contribution tonight.

Dr Van Hoof: Thank you for hearing me.

The Chair: I'm sorry to have to end the questioning, Doctor, but we want to thank you for coming. If I can just briefly wear an old hat, I agree with you completely about the orders in council. I think one of the things that I recall most as minister that I just kept thinking about a system that badly needed overhaul was why were we dealing with a number of these issues through orders in council. We really have to find another way. I think that's the principle there. Let us share with you the hope that it's really going to become something very meaningful. Thank you again for coming.

Dr Van Hoof: Thank you very much.

PERSONS UNITED FOR SELF-HELP (SOUTHWESTERN REGION)

The Chair: I would like to call for the representatives from Persons United for Self-Help. Just for those who are keeping a scorecard, following PUSH it will be the Victorian Order of Nurses, Grey-Bruce, then I. C. Funding and the London Regional Psychological Association, all of which I believe are with us. Again, I want to thank everyone for allowing PUSH to come forward at this point in time so that it can make its presentation.

Welcome to the committee. If I had known, Bonnie, that you were going to be here, I'd have brought my "Flying on My Own" sweatshirt. It's good to see you. If both of you would introduce yourselves for the committee and Hansard, then please go ahead with your presentation.

Ms Bonnie Quesenel: My name is Bonnie Quesenel. I'm the chairman of Persons United for Self-Help in the southwestern region. This entails from Windsor right to Tobermory. The gentleman with me is John Moran, who sits on the board of PUSH and is an active member on the para transit advisory committee.

My presentation is going to be more or less on the act to amend for attendant care for direct funding. I want to thank you very much for this opportunity to speak to you tonight. I appreciate it.

Good evening. I'm here today on behalf of a group of consumers across the province who have lobbied for over seven years in support of self-directed attendant services for people with physical disabilities. Our most visible contribution to date was a conference held at Woodeden in May 1990 for consumers, family members, service providers, ministry policy analysts and political representatives. The purpose of the conference was to shape the expansion and enrichment of attendant services within a changing social, economic and political environment in Ontario. A more specific goal was to create options and new models for attendant services in Ontario and to propose a five-year implementation plan for our model.

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The conference was a success. The CBC taped the proceedings and produced a half-hour program outlining our achievements over the three days. Charles Beer, then Minister of Community and Social Services, applauded our efforts and told us in his keynote address that policymakers were listening and responsive to our proposals.

We had ample reason to suppose that this was indeed the case when, 10 days after our farewell luncheon, Mr Beer announced the creation of a direct funding pilot project for 500 individuals across the province. In addition, he declared the government's intent to enhance supported living options and fund approximately 1,000 new spaces in attendant care outreach.

Alas, summer came and winter and spring followed in their natural order without any follow-up on these very public commitments. We initially suspected our abilities to communicate our message clearly and effectively. However, as this stack of documents to my left shows, we and our allies have been clear and consistent in articulating our message over the years. Our message has remained unchanged

over three changes of the political guard. Let's take a look, and then I'll summarize our position.

Independent Living: The Time is Now was produced by the Ontario Advisory Council for Disabled Persons in 1987. Independence and Control: Today's Dream, Tomorrow's Reality was produced by the Centre for Research and Education in Human Services in 1988. Helping to Shape the Future is a document resulting from a conference on attendant services in 1988. Self-Directed Attendant Services: Toward a Consumer Oriented Policy and Perspective on Personal Supportive Services was published in 1990. Flying on My Own is the result of our conference of May 1990.

Audrey King, a consumer and lobbyist of long standing, set the stage with an address from which I now quote briefly:

"Behind the Ontario government's long-term care reform are various assumptions which seriously threaten the notion of autonomy and independence. These are as follows:

"Adults whose disability requires attendant support are 'dependent' and therefore need to be 'looked after.'

"Only the 'experts,' those schooled and skilled in health and community services, really know what is needed and who is qualified to decide and deliver this.

"Needs arising from physical disability are the same for everyone, regardless of age, cognition or circumstance, and therefore can be most affordable, accessible and appropriately addressed through a single assessment and service delivery mode."

Our proposals were guided by the following philosophical statements and resulting principles:

Whereas it is recognized that citizens with physical disabilities have the same rights and freedoms and responsibilities as other citizens; and

Whereas full participation in society is an essential means of exercising rights and responsibilities; and

Whereas exercising choices and control in one's life is fundamental to full participation,

Therefore, we hold to the following principles:

Self-directed attendant services are an essential support to some citizens, to enable full participation in society.

The enhancement of full participation of the citizen with a physical disability in society must be inherent in the design and operation of self-directed attendant services.

Recognizing there is a variety of individual capabilities, citizens with physical disabilities have that right to exercise the highest level of choice and control over said services, including the administration of resources.

Recognizing individual lifestyles, citizens with physical disabilities have the right to exercise choice and control over all aspects of self-directed attendant care services.

Self-directed attendant services are a reasonable accommodation which enables the citizen with a physical disability to meet his or her basic human needs and rights, and therefore should be provided free of cost to the consumer with a physical disability.

Self-directed attendant services are distinct from other services such as health care and welfare in that the consumer is the centre of expertise for his or her own services.

Individuals who perform attendant services are engaged in valued and essential activities and should be compensated accordingly.

The level of resources for self-directed attendant services must be sufficient to support full participation in society, as determined by the citizen with a physical disability.

Recognizing the citizen's right to freedom of movement, attendant services, as service to individual persons, must be free from ties to specific physical locations and must be fully portable.

Our action plan contained goals that were progressive over a one-, three- and five-year period. We addressed direct individualized funding, the issue of flexibility in various service types—for example, outreach and support service living units, or SSLUs—and the issue of portability in outreach and SSLUs.

We have proposed the establishment and progressive increase of the direct individualized funding option for consumers who choose to manage their supports. We propose that this option be continuously evaluated by ministry representatives and consumers to ensure both consumer satisfaction and cost-effectiveness, and that independent living centres be funded to act as resources for consumers in this process.

With regard to the issue of flexibility, we proposed that the current guidelines be amended to expand outreach hours of availability to 24 hours per day and to provide hours of service based on individual need, removing the three-hour-per-day maximum. We recommended that an inclusive process be developed whereby SSLU budgets would be calculated on a basis of individual needs. We asked that individuals, rather than programs, determine funding levels.

With regard to the issue of portability in outreach and SSLUs, we proposed a gradual expansion of attendant services for individual consumers outside the home. Such an expansion would respect the needs, the right and the responsibilities of individuals to participate fully in the socio-economic structure of our society. We want to learn, work and travel. In short, we want to contribute, but find ourselves at this point needlessly restricted by outdated funding mechanisms.

I conclude now by again referring to the stack of documents to my right. Each of these reflects a coherent philosophy, resultant principles and action implications. Our message has been clear and our message has been consistent: We're against medicalized, professionalized care. We're for rights, responsibility and contribution. Let's begin direct funding now, before it's too late.

The Chair: Thank you very much for your presentation. I remember very well that meeting at Woodeden. There was a remarkable sense among all the people who were there that spring in 1990, and I'm sure it does look like a long time ago.

We'll begin the questions with Ms Carter.

Ms Carter: My remarks will be directed to the previous presenter as well. There was some mention of changes in the government and so on, and I would like to mention

that I am parliamentary assistant to Elaine Ziemba, the Minister of Citizenship, who has indeed stayed in place. I think the kind of thing that you're saying is very much part of our concern and I don't see any discrepancy between our philosophy and what is being put forward here.

As you probably know, my colleague is Gary Malkowski, who is of course deaf and functions through interpreters. He's a very strong advocate for the point of view of disabled people, obviously.

We have already passed Bills 74, 108 and 109. They went through in December of last year. The object of those bills was empowerment for vulnerable people, and I think that is laying a foundation already for the kind of thing we want to achieve, that people's wishes can be respected. So this idea of individual responsibility and having your wishes carried out is really the cornerstone of our policy, and of course Bill 101 does include direct funding for attendant services. That is in there. That is part of it.

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I just wanted to mention and ask for your comments on other things that the government is doing; one is that we're bringing forward job equity legislation. I don't know whether you're familiar with that. There are four designated groups that employers must employ in proportion to their representation in the population, and of course people with disabilities is one of those groups. So I think that would help to achieve the kind of total picture you're asking for. Do you have any comments on that?

Ms Quesenel: Most definitely. We're quite pleased about having that. There are some reservations, only to the extent that we are worried that employers may want to fill their quota, so to speak, and people really want to be hired for their abilities, not their disabilities.

Ms Carter: Absolutely. Part of the philosophy that leads us to this is that you do employ the best person for the job, and of course a person with a disability can be the best person for a job where their disability is not relevant, where it's the rest of the person that's applied.

Ms Quesenel: Most definitely.

Ms Carter: I think that's the philosophy we're putting forward. Also, of course, we have the Jobs Ontario Training fund, which is taking people who are currently on welfare or whatever and helping them to train with specific employers. There are even child care spaces dedicated to that so that somebody who has a family is not excluded.

The Chair: Question please, Ms Carter?

Ms Carter: Of course, another component in this whole picture is suitable housing, and I think we are moving forward on providing suitable housing.

The Chair: Thank you. Sorry, we have a number of people who want to ask questions, so we're going to have to move on.

Mrs Caplan: On a point of order: I thought in her speech, the parliamentary assistant—

The Chair: No, Mrs Caplan.

Mrs Caplan: No, I can't do this?

The Chair: I think we'll just move on and be of good cheer tonight.

Mr Hope: Thank you for the presentation. You bring about the reports from PUSH; Dick Santos, who used to be my executive assistant in the Ministry of Community and Social Services, brought the reports as soon as I hired him on to make sure that it was one of the initiatives that we do.

Ms Quesenel: Good.

Mr Hope: But with that, you talked about the supportive services, living units, and I want a question around the non-profit housing aspect that's going on and the units that are being designated disabled units. Is that being helpful?

Ms Quesenel: Oh, most definitely. But while that is well suited for many people, there are a lot of people who are in their own homes and apartments now who, like the person before me, if given proper moneys, could have their own care right in their place and wouldn't have to move.

Mr Hope: What I was doing was just going over your one-, three- and five-year periods for direct individual funding, outreach and support services. So most of these will be obtained in what we're trying to do with this act?

Mrs Caplan: It's already there free, Randy.

Ms Quesenel: Yes.

Mr Hope: I know, Elinor, we missed the point when you called it.

Mrs Caplan: My frustration is just bubbling over listening to the rhetoric from my colleagues in government. It's now two and a half years since you've been in government. You could have moved ahead if this was a priority for you, and it's terribly frustrating for me to listen to this kind of rhetoric.

I was also appalled this morning, frankly, and I think the parliamentary assistant for Ms Ziemba owes an apology to the people who have been coming before us, because of the language she used this morning when talking to someone about those who use the facilities in this province. Rather than referring to clients or residents or patients or consumers, she called them inmates. It seems to me that is a gross lack of sensitivity and it is worthy of an apology at hearings of this nature. When you reminded me just now about your position with the minister, it's just—I've been upset about it all day. As consumers, you have come to this committee, I think, with a plan that—I don't see anything funny about it, Mr Hope.

Mr Hope: You intimidate, let me tell you.

The Chair: Order. Can we just direct our questions to the witnesses, please.

Mrs Caplan: Yes.

Mr Hope: It's a good thing you were the Minister of Health.

The Chair: Order, please.

Mrs Caplan: The point that you've made in your excellent presentation today is your concerns that the legislation as it stands right now takes away from the consumer the opportunity to control, to risk if they wish and perhaps remedicalizes. Can you give us some advice or specific amendments to this legislation that would achieve what you're hoping for and what you have been waiting for for

so long? Is there any specific section of the legislation that is particularly offensive as it relates to independent living?

Ms Quesenel: That we don't have to wait for three readings; get right to it.

Mrs Caplan: Given the wording in the legislation, the point that I'm making—I don't know that it's possible. We've been waiting for three years, and with the Legislature not even in session, I don't know that that's possible. Although they could have gone ahead with their pilot without the legislative framework over the last two-and-a-half years if they had wanted to, because the precedents of order in council are there and available. So I understand that.

But you did mention very specifically in your presentation the concern that you have that what is being proposed is not going to achieve the goals that you've established. Is there some wording in the bill that you've noticed which is offensive to your organization, or are you satisfied with it and just want to see it go ahead?

Ms Quesenel: We just want to see it go ahead.

Mrs Caplan: Fine. Thank you.

The Chair: I'd now call on our next questioner. Welcome to the committee, the member for London North, Ms Cunningham, who's joined us.

Mrs Dianne Cunningham (London North): Thank you. I was just about to say the same to everybody else. Actually, this is London Centre, but these days I represent all of London, so welcome to the great riding of London.

The Chair: And with that non-partisan beginning, Ms Cunningham will now ask you questions.

Mrs Cunningham: Having said that, I would also like all of you to know that the two people before the committee this evening are probably two of the best-versed, probably two of the hardest-working people on behalf of the community that they represent. I've always been proud to have their assistance in the work that I've done because I can tell you that I have to go to them for good advice. So we're really pleased to have you here, Bonnie and John. I know you do so much, but this is very special.

I'm going to ask a question with regard to what's been happening, at least since I've been at Queen's Park in the last five years. I'm very aware, as are my colleagues, of the reports that have been written with regard to independent living. I'm as frustrated, I think, as everybody in the room, except that I don't have the power to do anything. So I'm looking across the table right now, because we don't always have to wait for legislation to do some of the things that are necessary. You've got your chance, so we'll be watching; I mean it. I can remember what the government members said over the last five or six years when they were in opposition with regard to independent living.

I'm looking at section 19, John. You probably won't have this one off by heart, but if you don't mind, I want to look at it.

Mr Chairman, I don't have the act, so I'm going to have to go by memory. But one of the concerns that's been brought to my attention by the groups in London is that they talk about goods and services in section 19. Perhaps, Paul, you could speak to this as well.

One of the great concerns that the community has is that it chooses its own attendant care givers. It's been something that has been put forward in probably six or seven documents that have been produced by independent and government studies over the last five years, and I know them well because it was new to me and Mr Beer, you know them as well.

Will this section, in your view, take care of that concern. Number one, you get to pick your own care giver, or whatever—however you want to put the word—does goods and services take care of that and in fact, do you then think that the whole process of grants for persons with a disability will take care of that concern? Is that what you read into the legislation—and anybody else who wants to respond to that—because that was the intent as it was put to me; is it going to meet our needs?

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Mr John Moran: It will be people who will be provided by paragraph 19(11)1.

Mrs Cunningham: Is that the way you read it? Are you confident that's what it means?

Mr Moran: Goods and services to me is not necessarily—services might imply an individual but not necessarily.

Mrs Cunningham: Could you offer some suggestions for wording that would make it more clear?

Mr Moran: Probably something like support services, which is fairly general and would imply possibly technology and possibly an individual or perhaps a range of individuals. Some people are going to require assistance 24 hours a day, and that's why the support-service living unit exists.

Mrs Cunningham: And support services could be defined somewhere in the legislation, then?

Mr Moran: And as broadly as possible and applied as broadly as possible at this point. As my chair said a few moments ago, it is tied to the home and to services directly related to living at home and not related to work, recreational or vacation time which I think all of us enjoy. That certainly does limit, even for a disabled person who was working a full-time job—the cost of an additional individual taken on a trip means that many people, given the option to go on a trip which may well be to an accessible location organized by a group where disabled participants are encouraged, are still going to find that the costs are beyond their means.

Mrs Cunningham: What about the word "may."

The Chair: One more question because we have—

Mrs Cunningham: I'll let my colleague ask.

The Chair: Go ahead with yours. I'm saying you'll have one—

Mrs Cunningham: Will my colleague have a chance?

The Chair: —and then Mr Jackson and then the parliamentary assistant has a comment.

Mrs Cunningham: I'm waiting for the PA to respond.

The Chair: I think Mr Jackson's comment relates to yours.

Mrs Cunningham: At the end is fine. Okay. Well, it's permissive legislation, Bonnie, and I think we had a discussion with another group a couple of weeks ago who came into my office and said they preferred to see the word "shall" in there as opposed to "may." John or Bonnie, if you can get on—

Mr Moran: "Shall" or "will" depending on the grammar of the day.

Mrs Cunningham: Won't this be a great celebration if we ever see this happen?

Ms Quesenel: Most definitely.

Mrs Cunningham: Thank you.

Mr Jackson: Very briefly, John, to demonstrate our concern that the government doesn't need this clause in order to bring in the program, and everybody agrees and understands that: The Minister of Health, I think, made four funding announcements to date on long-term care that pre-empt this legislation and yet your program was not mentioned. Is that part of the concern you have, that you're not in the first four items of funding where there were enhancements, where moneys were being allocated, that nowhere were you mentioned at all?

Mr Moran: I believe I read in one of the announcements, either November 26 or December 2—and I'll be fair: those are the only two announcements I've seen from the former minister—that information regarding direct funding, as the acting executive director said, was being proceeded with but there was certainly nothing in there about specific numbers or implementation and methodology.

One of the concerns I have is that the individual who is taking direct funding is going to be so burdened down with paperwork that he'll be spending all of his time filling out forms and not be able to have a life because of the paperwork. I hope that when direct funding comes, there will be an option so that an individual might purchase from an organization the administrative support to do the necessary paperwork, particularly from an organization which has been doing it for a number of years, knows the legislation and the regulation and can do the work somewhat more speedily than somebody who's just learning the regulatory ropes.

Mr Wessenger: I must say first of all that Mr Jackson and I generally differ on interpretation of most things. I would prefer to rely on legal counsel, who indicate that legislation is necessary to establish a pilot project, although, as an indication, an order in council can work for an individual.

Mr Moran: It certainly has, Mr Wessenger.

Mr Wessenger: But with respect to the—

Mr Jackson: That is a crock and you know it. Who told you that?

Mr Wessenger: With respect to the other item, Mr Jackson, if you just keep quiet—

The Chair: Order, please.

Mrs Caplan: Where's your legislative—

The Chair: Order, please.

Interjections.

The Chair: Order, please. The Chair has the floor. I want to be very clear. We are here to listen to the witnesses. Let's just remember that. We'll have plenty of time to debate.

Interjections.

The Chair: Order. I want to just make clear we are here to listen to the witnesses answer questions. We can have our debate later.

Mr White: I have a point to clarify with respect to—

The Chair: I would just ask everyone in their language to please direct their comments to the witnesses, not to other members.

Mr Wessenger: With respect to the matter of the definition of goods and services, that is the broadest language you can possibly use in the legislation, so that gives the widest scope with respect to authorizing expenditures by the person with the disability. If you wish to have the language narrowed, certainly we would be very interested to hear your views on that, but the reason why that language is used is because it gave the broadest scope, the broadest powers with respect to—

The Chair: Thank you. Would you like to respond to that?

Mr Moran: Only that it's an interesting view and that I'll take it under advisement. We may consult with ARCH, the Advocacy Resource Centre for the Handicapped. They may be able to come up with their definition of those particular words as compared with other words which might be in section 19.1.

The Chair: I would say that if, upon reflection, there's something further to that point that you'd like to bring to our attention, please feel free to send a note to the clerk and we'll circulate that.

Mr Moran: Thank you, Mr Chair.

The Chair: I want to thank you both for coming before the committee for your presentation and particularly for the spirit of your remarks.

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VICTORIAN ORDER OF NURSES, GREY-BRUCE BRANCH

The Chair: If I could now call on the representatives from the Victorian Order of Nurses, as you make your way to the table, may I thank you for putting your presentation off until we had heard from the two previous groups. We appreciate it. We also recognize that, coming from Grey-Bruce, you may have had to fight your way through snow and various impediments. Welcome to the committee. If you'd be good enough just to state your name, then please go ahead.

Mrs Catherine Goetz-Perry: My name is Catherine Goetz-Perry. I'm the executive director of the Grey-Bruce Victorian Order of Nurses. I would like to preface my brief by stating that I would like to thank you for the opportunity to speak to the standing committee. My presentation is threefold: first, presenting general comments from the

VON's perspective as to the long-term care redirection and movement in that vein; second, specific comments on Bill 101 from a provincial VON perspective; third, I would like to give you a flavour of what is occurring in the great white north, or part of it, and the impact that locally Bill 101 may have on a community's services.

VON has a vision of long-term care that consumers requiring long-term care services to promote their health and wellbeing will have a choice of needed services delivered in their preferred location by their preferred provider within available resources. VON recognizes that the growth in health care has been exorbitant and must be capped. However, a provincial strategic plan should be developed with funding allocation based on strategic priorities. The government should look at where the growth is and stage its funding allocation accordingly.

Funding community-based long-term care as an alternative to inappropriate use of acute care resources and institutionalization is a step in the right direction, but the government should ensure that there is a viable funding base in the community to sustain the proposed shift. This can be achieved by financing an increase in long-term care by staged reallocation of the existing health care budget.

To support community-based care, certain core programs should be in place. We suggest integrated homemaker expansion, respite care for care givers and in-home palliation as some examples.

In the area of planning, VON supports the government's direction to be as inclusive as possible when discussing the needs of the disabled and recommends that the needs of the physically challenged, children and adults with chronic disease and high-risk elderly be given equal consideration. Planning responsibilities should be clearly defined, with the recognition that the farther away decisions are made, the more things get lost. The real authority should be closer to the people and the consumer. Planning provincially, regionally and locally with clearly defined responsibilities will improve efficiency. The lead role for local planning should be assigned to expanded DHCs with enhanced social service representation.

In the area of allocation of resources, at this point in time the government has been considering the question of devolution of the responsibility for health and social services to local agencies. This is a follow-up to the recommendations of the Premier's Council that recognized the need to have a more flexible and responsive health and social service system in Ontario.

VON would support a government initiative to pilot the devolution concept with long-term care. The envelopes devolved to the local authorities should be inclusive of the long-term care budget, specifically including in-home services, community-based and facility services. This will allow for the flow of funds between the community and the institution as it is in the best interest of the local community, and it may also allow for rationalization of service delivery.

In terms of the flow of funds through bodies to agencies directly for delivering services, VON recommends that no one funding model be attached to the terms of reference for devolution. Rather, there should be flexibility of payment modes available to allow for the most cost-effective alternative given the nature of the service. For example, in terms of the physically challenged, direct payment to consumers whereby they purchase their own service might be more effective than direct funding to agencies. Long-term care clients with multiple-level needs may require a capitation program. VON, in bringing this forward, is attempting to identify that no one funding model best serves the needs of all clients, service providers and the government's need to contain cost yet ensure quality.

In order to ensure that the citizens of Ontario have reasonable access to service, it will be incumbent upon the province to ensure that core services are in place for each community. From the VON perspective, such core services and long-term care should include both in-home community- and facility-based care. Second, the province has a responsibility to ensure appropriate standards of care and delivery are met across the province.

I will leave my general comments at that and refer you, please, to page 9. VON views the amendments included in Bill 101 as movement forward, an incremental improvement in empowering the consumer, which allows for direct funding grants to the physically disabled; starts to standardize legislation for long-term care facilities, but does not replace separate legislation and does not address chronic care beds; ensures consumer access to key information regarding facility services, care, accommodation and consumer knowledge of care plan; and allows for appeal process regarding eligibility for service.

VON supports these incremental improvements and recommends that these changes be expanded to include similar requirements for chronic care beds and requirements for residents' councils in all long-term care facilities.

VON recommends that consumers have a choice of whether to receive needed services in a facility or a community setting within an envelope of available resources, in short, to ensure the consumer has a choice of service location.

VON recommends that if the consumers require and they or their surrogate decision-maker choose facility care, they have the choice of what facility to enter rather than having the decision solely made by a placement coordination service.

While supporting the incremental changes proposed to protect and increase the involvement of the consumer in their care, VON believes that the tone of the amendments is incremental and not comprehensive and thus not empowering. It would be most unfortunate if this happened. Therefore, VON recommends that Bill 101 amendments be delayed until the publication and public debate on the government's long-term care are complete.

The government is moving ahead on Bill 101, and the message that's sent is that it's still more interested in institutional care rather than developing community care options. Today, in Ontario, the resources allocated to institutional care, specifically chronic beds, extended beds, residential beds, far exceed the resources allocated community in-home services. By proceeding with legislative changes for facilities before developing and publicly debating

the policy framework for long-term care redirection, the government is reinforcing the status quo institutional bias.

The legislation promotes fiscal accountability by a control on resource utilization rather than on measures for resource outcome. Examples include controlling the number and types of beds, as well as associated costs and a further list.

By moving ahead with facility legislation outside of the long-term care policy framework, and prior to local district health council planning, the government is not supporting its own direction for a strategic, policy-based approach to the health care system based on consultation. The legislation allows the government to designate the number of beds to require certain types and capacity of beds for certain levels of care, service, programs etc, but does not reference these requirements in terms of any planning process provincially, regionally or locally.

VON recommends that the legislation be deferred again until a policy framework is released and debated, and that district health councils planning for a long-term care be referenced in the legislation in terms of the designation of numbers and types of facility beds.

Bill 101 appears to ensure the continuation of a centralized funding of extended care beds, given the absence of reference to chronic care beds and the separate funding of these beds. VON strongly recommends that the government move away from centralized, fragmented funding to district funding authorities with a long-term care envelope that includes community-based, in-home and facility service provision. Only then will we see a significant redirection in long-term care from institutional to community-based care and the development of flexible, cost-effective services reflecting the community need and priorities.

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Although funding of long-term care beds is not addressed in the legislation, from government discussion VON understands that the level of care funding will be introduced in regulations.

At a time when the government is considering the need for flexible funding and service delivery models, specifically capitation, case mix-equity blend with global budgeting, the government should consider the possibility of multiple funding options for long-term care facility beds. However, VON does agree that the current funding model of per diem funding is a disincentive to caring for residents with complex needs.

The new model should also have fiscal incentives for rehabilitation and discharge.

VON suggests that the development of comprehensive multiservice agencies by VON and other community agencies funded by capitation may significantly reduce the bed requirements by providing more comprehensive and potentially more cost-effective options in the home.

Prior to expending facility services, other community-based options should be considered; specifically, by having the funding envelope locally administered, more flexibility will be possible.

Finally, VON also supports a provincial role in long-term care facility planning by the development of provincial standards and requirements for care programs, including care facilities and access to a review of community programmatic decisions.

In the area of placement coordination VON recommends that the devolved long-term care management board or agency should house the placement coordination service. Since the board would fund all services, it's logical for that location.

VON supports the concept of expanding placement coordination province-wide or a key component of home care redirection. VON currently administers eight placement coordination services, so we have knowledge.

VON has concerns about the lack of consumer control over the location of sources in the expanded role of placement coordination and recommends compelling the coordinators to ascertain and provide the consumer's choice of service location.

Now I'd like to address some of the local environment in Grey and Bruce counties to give you a flavour for the impact in a rural area of the province.

Grey and Bruce counties have a population of over 141,000, and over 72,000 households dispersed over 3,400 square miles. The area only has one city over 20,000 in population. Over 15% of the population in the two counties is over 65, and there's been an 18% increase in that population since 1986.

The Grey-Bruce District Health Council has played a pivotal role in health planning in the district for several years—we're fortunate—and is well into its planning role for implementation of announced long-term care initiatives and outcomes of Bill 101.

There has been an agency by the name of the Home and Community Support Services Agency established in 1992 under the regional long-term care board and our local district health council with responsibilities for COMSOC-funded volunteer programs supporting the elderly and disabled adults, including Meals on Wheels and volunteer services.

Work has started on preparing a regional plan for palliative care services, investigating needs for respite care and adult day care and restructuring hospital roles and responsibilities.

The Grey-Bruce District Health Council and the Ministry of Health have known for some time that the allocation and the existing number of long-term care beds in Grey and Bruce far exceed the provincial average and ministry recommendations.

In 1989 the Ministry of Health did a review of two hospital building projects in our area for the Meaford General Hospital and Bruce Peninsula Health Services. At that time recognition was given that in total, out of those two hospitals, which are both under-80-bed hospitals, that 30 beds in total—chronic care—could be eliminated if community support services were available.

Grey and Bruce have no placement coordination service but have over 11 hospitals servicing the area. The Grey-Bruce home care program administers the acute and chronic home care program and the integrated homemaking program in our area. The client case load for the home care program has increased over 14% in the last two years. There's also been a dramatic shift in case load within the

acute and chronic programs. Two years ago the distribution was approximately 20% acute clients and 80% chronic. In 1992, year to date, it has now shifted to 45% acute and 55% chronic.

Grey-Bruce home care contracts with two community agencies for homemaking services under the home care program and the integrated homemaking program, three community nursing services—two for-profit and one not-for-profit—and three oxygen therapy companies. Home care itself supplies therapy services. Client assignment to homemaking and nursing service is done on a random basis, with no choice offered to the client. Clients requiring multiple services may have more than four agencies involved in their care.

VON Grey-Bruce has recently completed a research study with partial funding from the Trillium Foundation on respite care, focusing on the needs of the care giver. We had a response that one in five households had someone receiving care in the home, or a 19.6% prevalence rate. There have been no prevalence studies done on care givers within the province of Ontario.

The problems of care receivers tended to be chronic, permanent or terminal; 46% of those care givers indicated they receive no assistance from their family or outside agencies, so close to 50% were doing it on their own. A third indicated that they would benefit from some help, assistance or training. The type of help, assistance and training they recommended was for independence in the area of education for themselves and relief. Three quarters of the care givers were female, married, with an average age of 51; 40% of those women worked outside the home, and two thirds of the care receivers were female, with an average age of 69.

Based on our local situation, VON Grey-Bruce recommends that consumers have a choice whether to receive needed services in a facility or a community setting within an envelope of available resources. Based on the Grey-Bruce experience, it's evident that excess resources have been allocated to institutional care, and reallocation of resources to community and in-home services to meet the demand has not yet occurred. Therefore, VON Grey-Bruce endorses the recommendation that Bill 101 be delayed until the publication of the government's long-term care redirection policy frameworks, in the hope that funding will be available in developing community care options. Implementation of Bill 101 may help perpetuate the local situation of excess long-term care beds and not address the need for rationalization and reallocation.

By moving ahead with facility legislation with implementation, the government in fact will hinder the what has appeared to be successful comprehensive planning undertaken by our local district health council. The Grey-Bruce District Health Council is preparing to address institutional care requirements under the umbrella of the long-term care policy framework, not separate and distinct from it. VON Grey-Bruce recommends that the implementation of the legislation be delayed and referenced under the district health council's plans for long-term care.

VON Grey-Bruce is taking steps to provide comprehensive, multiple services because of private client demand. Presently, we're providing comprehensive nursing services, including high tech and palliative and supportive care. We are now introducing home health support and homemaking services. In fact, tomorrow I am doing a presentation to the local home care program, asking to contract for homemaking services.

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We endorse the development of comprehensive multiple-service agencies and delivery of such services to clients to reduce fragmentation experienced under the present local home care system. VON Grey-Bruce recommends that the government consider flexible funding options for long-term care facility beds and for residents in the communities with complex needs, and that the funding options be responsive to the client choice.

VON Grey-Bruce endorses and supports the expansion of integrated homemaking programs province-wide as a key component in long-term care redirection based on the local benefits we have realized from the program.

We support the local need for expanded placement coordination. That service should be housed under the long-term care management board.

No provisions are made under Bill 101 or other long-term care initiatives announced to date for flexible respite care and for care giver support. Based on outcomes of VON Grey-Bruce's research, VON recommends provision be made for these services and that funding be flexible and linked to service site and consumer choice.

The Chair: Thank you very much for a very full brief. I know you weren't able to read all of it, but we have it in front of us.

I would just like to note to members that we'll be able to have one person per caucus and one question. I'm mindful that it's still snowing outside. I also understand the London symphony is about to strike up, although the clerk informs me they are not going to be doing the 1812 Overture.

So with that we'll begin with either Ms Fawcett or Ms O'Neill.

Mr Jackson: The Rite of Spring by Tchaikovsky would be a help.

Mrs Joan M. Fawcett (Northumberland): Thank you for that very well thought out and comprehensive brief. There are just so many questions that you have answered, actually, in this brief. Grey-Bruce reminds me of the riding of Northumberland in a lot of ways in that you, I believe, have quite a rural component to your riding.

Mrs Goetz-Perry: Our population distribution is about 13% urban within Owen Sound and 86% rural.

Mrs Fawcett: And are you noticing large gaps in the services that you are able to provide to the rural community?

Mrs Goetz-Perry: Actually, I believe that services are fairly well integrated to serve the clients. VON is the only community agency that services all of the two counties. We are seeing fragmentation in pockets such as the Bruce Peninsula and south Grey.

Mrs Fawcett: And do you see it maybe escalating if the services are not going to be funded to get ready for—

Mrs Goetz-Perry: If there's no funding reallocation to community services, our home care program will have to cap services available to our clients. As stated in my brief, we have seen a 14% growth within those programs when only 4% per year had been predicted based on budget.

Mr Jim Wilson: Thank you very much for your presentation. It's indeed very comprehensive and one of the more thoughtful and detailed presentations that we've had to date at the committee.

One question, in two parts—

The Chair: Very subtle.

Mr Jim Wilson: —just on behalf of the VON, though. I represent Collingwood. I'm also the PC Health critic, so I'm very much aware of what's going on in the province and particularly in our part of the province next to Grey-Bruce there. There is no placement coordinating service agency operating in your two counties. Is there any guarantee from the government that the VON will be taking up with the intention to expand the PCS? Will the VON be doing that?

Secondly, along the same lines, has there been any discussion with VON in terms of your agency being a multiservice agency as envisioned under Bill 101?

Mrs Goetz-Perry: I think what VON provincially is waiting for is to find out how the comprehensive multiservice agencies are actually going to function, whether they will be the funding and the service delivery agency or if the comprehensive multiservice agencies will be solely service delivery, with funding coming under a long-term care funding board.

Mr Jim Wilson: Without a commitment in writing—I mean, there are a lot of presenters who are worried that we're just setting up another whole layer of bureaucracy that may duplicate the efforts being done by the VON and a number of other groups.

Mrs Goetz-Perry: I don't want to presuppose that VON will take on that role. I believe the government's intent with home care programs has begun to address the issue of coordinated services through a case management approach. However, not allowing consumer choice or allowing funding to be flexible such that rather than individual service, multiple service be funded, fragmentation has occurred at least to clients within Grey and Bruce.

Mr Wessenger: I again would like to compliment you on your very comprehensive brief. You've raised so many points that it's impossible to respond to them all.

First of all, I'd just like to explore your comments with respect to the question of funding. You indicated that you wanted to hear funding announcements. Well, I'm somewhat confused by that, because the government has, in effect, announced the $441 million into the community to allocate it among community support, in-home services and support of housing. It's true that the specific allocations among those various categories haven't yet been finally determined, but certainly that announcement is out there. Could you elaborate what you meant when you said, about the funding—

Mrs Goetz-Perry: I guess what I'm focusing on is that the reallocation of funding occur to support the services as they're needed. It has not happened at our local level. We have long-term care beds sitting empty. There's only about a 50% occupancy rate in long-term care beds in Grey and Bruce counties. The district health council has estimated that we have approximately 150 more long-term care beds than we require, yet they continue to be funded in part with obvious increased demand in the community, so I believe personally that we're not meeting the needs of all clients.

Mr Wessenger: What you're really looking for is to what extent community services will be enhanced? Is that more—

Mrs Goetz-Perry: No. I'm looking at to what extent the reallocation will actually occur.

Mr Wessenger: In that area.

Mrs Goetz-Perry: Of the funds announced.

Mr Wessenger: I might also ask you, with respect to the role of a placement coordinating agency—I assume you want to see that that is the policy intention, that it brings all choices to the consumer, the community choice as well as the institution.

Mrs Goetz-Perry: If you'll refer back to my brief, what we perceive is that the placement coordination service, under the umbrella of whatever management service is set up to distribute funding, make information available to consumers about what options are available within the possible funding envelope and then help to direct those to the appropriate level of care.

Specifically, there are clients with complex needs who can be cared for in the community. A case in point: We just recently lost a client who had several venous-access devices, he was on continuous peritoneal dialysis and he was also disabled. He came back to us from the United States as a terminal client with AIDS. The care he required was intense. On a per-day basis, he required four hours of RN care and then some support care and support to his family. But that care was less expensive than what would have been required if he had been cared for in an institution, and his care would have had to be provided in a hospital, not a long-term care setting, and likely in an intensive care unit.

The Chair: Thank you again for coming to the committee this evening. I hope you'll have a safe ride home.

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IC FUNDING FINANCIAL CORP

The Chair: If I might then call on the representative from IC Funding Financial Corp. The clerk is just circulating your brief. Thank you for understanding the somewhat later time of starting. Welcome to the committee, and if you'd be good enough to introduce yourself.

Mr Donald Stevens: Mr Beer and members of the committee, thank you very much for inviting me. I am Donald Stevens. I represent no group; I bring forth no lobby. I'm a businessman whose job it is to assist long-term care facilities in raising capital dollars for their mortgages. With the introduction of the new funding motto,

you've both created new challenges and created new concerns in my business. I thought I'd come forward to bring four ideas or four concerns forward for your consideration. They are technical and perhaps much more involved with regulations than they are with policy, but I have no opportunity to talk to the technocrats, so I bring it before you, and you may wish to take it down to them.

The points in front of you are sort of in point form, and I'll just highlight them very quickly. First of all is the concept of the envelopes of funding that go to long-term care facilities. While I, from past knowledge, understand the desire and do support the concept of having the envelopes the way they are, the ultimate concern of the mortgage or capital lenders is that the entire funds available for repaying mortgages must now come out of the accommodation envelope, and the concern there is that the envelope must be of adequate size to provide adequate funds to repay the principal and interest and cover the debt service that's required in the mortgage. So when the minister and her staff have to put together the dollars assigned to that envelope, it's very important that adequate dollars be put into that to allow the lenders to continue to lend money to both homes for the aged and nursing homes.

CMHC, the Canadian body that does NHA mortgage insurance, also has very rigid requirements before it will insure a mortgage, and its needs must be met or it will not approve any insurance for mortgages. Again, I draw that to the attention of the people who put together the funding so that this can be considered when dollars are allocated.

The second concern about the envelopes is the implied liability of the operation, that if there is an overexpenditure in any one of the two first envelopes, that shortfall will not be made up by the government. I would like to bring in front of you that there will probably be a demand or a commitment by the lenders that the shortfall will also not be made up from the accommodation envelope, because by doing that you'll endanger the mortgagor from fulfilling his needs. So while you may write legislation about who picks up the shortfall, be aware that the people putting up the capital may also write their regulations.

I guess it's also important that I've just become involved with helping non-profit homes for the aged raise capital dollars, since it's becoming apparent that—and as a matter of fact I understand that Mr Rae has recently called for better cooperation between the private and public sectors in—

Mr Jackson: That was in Manitoba.

Mr Stevens: Manitoba. Yes, okay.

Mrs Cunningham: And in France.

Mr Stevens: China was also good. The need there of course is to remember that the cost per bed that they've traditionally lived with has been twice what it's cost to build nursing home beds, and by bringing the two funding models together, which I think is a terrific idea, it's very hard for a funding model to recognize the capital cost of $100,000 per bed within the same funding model as a $50,000-per-bed situation. So I suspect that very shortly, when the models are announced and the dollars are announced, there is going to be a fallout that's going to have to be reckoned with sooner or later.

I've given you a couple of examples in my presentation of the type of dollars required to satisfy mortgage lenders; they're technical and can be passed along.

A couple of very brief last points: There seems to be, in the implementation stage, a desire by the technocrats to have audited financial information on both the care plans and the finances done to one fixed date, perhaps December 31 of each year. This is raising some real concerns in the audit part of our industry, because then you'd have all the auditors doing the audit at the very same time and all of the staff of the ministry receiving all their audit reports at the same time. You may want to consider having that date set whenever, because I've been assured by people who do audits that it can well be handled and you can receive the assurance required that the money was spent as committed, in the right places at the right time, without having to have the reports for all 500 institutions filed on the same day.

Again, I thank you for letting me come here and I want to stress that personally I think it's a strong idea that capital dollars for our long-term care industry be raised from the private sector. They can be induced to provide the loans required to help fund the mortgages for both sectors, but in doing so they have to see fiscal responsibility on behalf of the ownership of the facilities. Thank you very much.

The Chair: Thank you very much. I think this is the first presentation we've had fully from this particular perspective. We very much appreciate your coming before the committee. We'll begin our questioning with Mr Wilson.

Mr Jim Wilson: Thank you very much, sir, for your presentation. It is a new perspective that the committee's not considered to this point. We have talked a lot about the government's penchant for wanting to get rid of the private sector when it comes to the delivery of long-term care health care and we've talked a fair bit and had some pretty heated discussions today about the fact that the government won't release its report. It did a secret report indicating how much it would cost it to buy out the nursing home sector. Thank God for a few whistle blowers down at Queen's Park. We were able to find that out.

What they discovered is that it's going to cost them a lot of money. They can't afford to buy the capital, let alone anything else. Hence, they've backed down, even though what they'll do now, over a number of years, as they've done in day care, is simply drive the private sector out by giving a preference for services to the non-profit sector. The plan's pretty clear. We expect, though, that in the next two years, while they're still the government, they can't do too much damage and we'll do what we can to straighten things out if we form the next government.

I wanted to talk to you about capital, because you talked about it being necessary from the private sector for both not-for-profit and profit homes. The government's been coming up with some creative ways to borrow money and to raise capital with the new crown corporations. They haven't introduced one for this sector yet, but maybe that's

next in line. I gather you wouldn't be here if you didn't think Bill 101 was of some threat to potential investors. The one line that catches me says: "If capital is to be raised from the private sector, one way the committee may want to consider is to recommend changing the existing imposed rules for 55% basic ward accommodation. By allowing additional preferred accommodations, homes will be able to raise additional capital dollars, thus making the projects possible." Now, it would be my reading of Bill 101 that we're going in the opposite direction to that. Do you have any comments on that?

Mr Stevens: No, I first of all don't feel that Bill 101 is a threat. What's more of a threat is the lack of decision and the stale, you know, just sitting out here. It was promised to the industry to be implemented January 1 and it hasn't been, and there is no commitment that I'm aware of now of implementation, so the lending industry has just stopped lending.

Mr Jim Wilson: This is the implementation of the new funding formula?

Mr Stevens: That's right. It's stopped. It doesn't know whether it can lend or not. It doesn't know what formula to lend on. It doesn't know what the budgets are. It can't handle applications.

Bill 101 is very ambiguous on how it wants to handle preferred accommodation and puts itself in a tremendous quandary, because in essence the commitment of the minister, as I heard it, as a simple businessman, I guess, was that she was going to make a level playing field between both profit and non-profit providers of service. Up to now homes for the aged have had a different way of charging for preferred accommodation than nursing homes have had and have certainly had a different way of charging for services than our hospitals have had over the years.

It was in the mid-1980s when hospitals caught on with a way of adjusting their losses or deficit or underfunding, whatever they want to call it, by increasing the costs and the number of preferred accommodation rooms dramatically. Perhaps that's helped a great deal. Certainly it's cost me a lot more money on my private health insurance because of trying to fund it, but it's helped that. I don't see a lot of money coming into Ontario to help pay for new services in anything going out there, and one way it can allow for the industry to be rebuilt—again, both private and public systems—is to allow a higher percentage of preferred accommodation. That puts money into the system that allows it to make things happen.

Mr Jim Wilson: Are investors worried? We've had some groups come to us saying that of the $208 million of new money supposedly being allocated to this sector, $150 million of that is to come through increased user fees for accommodation. Now, have you seen work-ups from some groups that have come forward and said that there was no way the government can raise $150 million through increased user fees, that it's a bit of a pipe dream? If I were an investor, with the worries and the uncertainty that's out there now, that would make me even doubly uncertain, given there may even be a shortfall in that envelope.

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Mr Stevens: My understanding is there's going to be a $10-per-resident-day increase in the residents' share of long-term care stay. As a former chairman of a health council, and spending far too many hours sitting around rooms like this talking about it, frankly I thought that nursing home care was the cheapest place in the world to live. In essence, if you want to live in a ward room in a nursing home, it costs you nothing. You don't have to buy your food, you don't have to buy anything; you just live there for free.

Perhaps we have people there who shouldn't be there simply because it's too damn cheap. I also understand—I haven't really looked into it too deeply—that there is some method in place that those who really can't afford the increase can be cared for by some means test. It is unique that the Ministry of Health will be dealing with a means test, because I thought that was absolutely something it never did.

Mr Jim Wilson: It's only on the campaign trail.

Mr Stevens: In essence, the real competition will be that people who now have to pay $10 a day more for nursing home care may well choose to go into private retirement homes where their rates will now be more competitive and where perhaps you don't have to be in a room beside a psychogeriatric patient. Consequently, we're telling my friends in the private retirement home business that perhaps their business might get better, and this may save the government money because you may have fewer people living in your facilities.

The Chair: Mr Jackson, do you have a supplementary?

Mr Jackson: Yes, thank you. Don, good to see you again.

Isn't the major problem we have that there are three elements to long-term care reform and this is only one small part of it, these hearings and this bill that's before us? There's uncertainty about the funding formula. In dealing with lenders you have to basically go forward and say: "Well, show me something from the government that says this is how the formula will work. Show me that they will recognize these as expenses and that we'll be able to—"

This committee has heard there are several nursing homes that are currently in receivership. I know the number was close to 40 that were on the verge of receivership in this province when the minister made her statement about the amended formula. That situation hasn't changed, so we are potentially talking about thousands of residents in Ontario who are in nursing homes that have this financial uncertainty still around them. They are not aware of it. The average resident is oblivious to all this, but in fact the government isn't, and we still haven't got the information.

Isn't that really in a nutshell our problem at the moment, that we don't have a formula, we don't have regulations and we certainly don't have the actual legislation? We see the rules of the game, the penalties for non-compliance, but we don't see to what extent you'll be able to keep your facilities open.

Mr Stevens: Yes. The crisis is not the philosophy behind it all, but just, "Give us the rules and let the industry

go out there and run with it." Again, it's not just the problem with the for-profit, privately owned nursing homes, but definitely as big a problem with the homes for the aged, the church-run operations. They frankly just don't know how to do their corporate planning, how to raise their dollars or allocate their funds.

Mr Jackson: Homes for the aged can get their money through the municipal tax base, that is an option, but not charitable homes for the aged. Municipally run homes for the aged have the option to go to the municipal taxpayer, and that door is open in this legislation.

Mr Stevens: I just wonder if our city fathers are quite prepared for the tremendous shortfall that's about to hit them with this philosophy of paying $90 a day for care they were receiving at $135 a day yesterday. As a taxpayer, I really wonder.

Mrs Caplan: My question really is for the parliamentary assistant.

I want to thank you for an excellent brief. On page 1, at the bottom, you say, "If the government is expecting the capital dollars to be raised from private sources..." I think that's a question we should have answered, because obviously the private sector needs to have some certainty about what government policy is going to be if it's going to be able to respond. We have an anomaly at the present time where the Ministry of Health does not provide capital dollars to nursing homes whereas the Ministry of Community and Social Services does provide capital dollars to homes for the aged. So I would ask the parliamentary assistant if he would clarify his government's policy on the role of the private sector in raising funds for long-term care facilities.

Mr Wessenger: I think with respect to the private sector raising money, at the moment I would agree that there's a problem, until the level-of-care funding is in, to determine whether the private sector finds it financially beneficial to purchase existing homes or perhaps to build new ones. However, certainly the policy of the government is clear. The existing policy is to provide only capital funding for the non-profit sector, and I believe 50% funding is the ratio for both municipal homes for the aged and charitable homes.

The comment I would make is it's interesting that I've had discussions with some private home operators who are considering building new facilities. I think that's an interesting reflection, that obviously some members of the private sector feel the level-of-care funding will solve the financial difficulties.

Mr Jackson: A point of order, Mr Chairman. That is so misleading, that statement. When nursing homes are buying licences and they're buying beds and they're taking small units and amalgamating, that is the growth from the private sector.

The Chair: Mr Jackson—

Mr Jackson: You show me one private developer who's going to build a nursing home unless he has bought licences from small places—

The Chair: There will be time, Mr Jackson, to carry on this debate. Let the parliamentary assistant complete his remarks. You'll have plenty of opportunity.

Mr Jackson: That is completely misleading, to suggest that this augurs well, that the private sector thinks this is great legislation.

Mr O'Connor: He is misleading the witness. Throw him out, Mr Chairman.

Mr Wessenger: I think the policy is very clear. I've stated what the policy is with respect to the government, and that's it.

The Chair: I want to thank you very much for your presentation.

Mrs Caplan: I have one question.

The Chair: No, I'm sorry.

Mrs Caplan: I just have one question.

The Chair: Okay, would you ask your question.

Mrs Caplan: Does the answer that was just given by the parliamentary assistant give you any comfort as to the clarity of government policy?

Mr Stevens: No.

Mrs Caplan: Thank you.

Mr Stevens: The concept, of course, is that many of our clients are faced with the legal position of being told by the government that they have until midsummer of 1993—that's about three and a half or four months away—to have in place solid plans of major rebuilds of their homes or else they may lose their licences, which is losing their business, which is losing everything.

In essence, the government has had no response to that, no direction. Many of them are saying: "You know, we cannot go forward with proposals because we don't know what mix of preferreds to put in our buildings. We don't know what programs to provide. We don't know what staffing to provide. We don't know anything." And this is a 1984, 1985 process from the Honourable Keith Norton all the way through Mrs Caplan's time, right through the process of having to rebuild our facilities.

But they need capital dollars. It's not going to happen unless they can raise funds, and I can't find them the funds if I can't give the mortgage lenders the rules to play by. My favourite thing is called the golden rule: The man who has the gold makes the rules. In this respect, with all due respect to all parliamentarians, it's not your gold; it's the money lenders' gold. They're not going to put it up unless they are certain it's going to be paid back to them.

Mr Wessenger: Might I respond?

The Chair: One final comment.

Mr Wessenger: Yes, just one response. As you may indicate, this cutoff date was originally set in 1988. The only thing I can advise you is that the situation is under review presently.

Interjections.

The Chair: Mr Stevens, I want to thank you for your presentation. As you can see, it has sparked a fair bit of discussion, but I think the points that you raise are ones the

committee will want to reflect upon. So thank you very much for coming this evening.

Mr Stevens: Thank you very much.

2040

LONDON REGIONAL PSYCHOLOGICAL ASSOCIATION

The Chair: I now call on the representatives of the London Regional Psychological Association, if you would be good enough to come forward. I believe there are representatives here. Sorry, here we are. I was looking through a wall there. Your presence may be at just the right moment. Welcome to the committee. As you can see, the members are very alive this evening.

Mr Hope: Cut them off the coffee.

The Chair: We appreciate your presence. If you would be good enough to introduce yourself to the committee and for Hansard, then please go ahead with your presentation.

Dr Edward Helmes: My name's Edward Helmes. I'd like to thank the committee for the opportunity to make a few comments here on behalf of the regional psychological association. We have about 80 full members in our group. That represents about 60% of the practising psychologists in the area.

I think in general we would be very much in favour of any attempts to improve services for elderly and disabled individuals in the community, so we feel that this entire process of redirecting in long-term care has many opportunities for improving things for delivering services to these groups. Tonight I think I'll limit my comments to the changes that are proposed as far as Bill 101 goes, just to limit some of the possibilities for discussion.

One feature of the act that we note is that it does not make provisions for providing services to other disabled individuals, notably the ones with the serious mental disorders, the ones with developmental handicaps and the people with acquired brain injuries. These conditions often leave individuals severely disabled, and we would hope that at some point equivalent services could be made available to those individuals as well.

We'd also note that this entire process is one that is going to involve substantial change for not only individuals who might receive care but also for those who are providing services for the disabled. To the extent that the service providers are feeling they are operating in circumstances of uncertainty in going through this process, they're going to feel under increased stress, and this can only have negative consequences for the individuals who are receiving care from these individuals. As a result, we would recommend, or hope, that the introduction of any changes to legislation, particularly where it would involve substantial changes to the means by which services are provided, would do so in a way that introduces change gradually and provides people with some advance notice of what the changes are going to be.

We particularly note that this isn't the only piece of legislation that's going to be affecting people in this area. With the recent passage of the Advocacy Act, the Substitute Decisions Act and the Consent to Treatment Act, providing care for disabled individuals is going to become much more complex and is going to involve many more interested parties being involved in many decisions that are made for disabled individuals, and these are all happening within a relatively short period of time, which makes the whole process more complex.

One of the things that we do know that can influence the amount of stress individuals feel as they go through some process of change is the amount of control they have over that situation. I think many people at the moment feel that they don't have very much control at all. Anything that can be done to increase that control, even to increase the amount of information people have over the timing of the introduction of changes, makes the whole process less stressful.

That's one of the reasons why we think it would help to have pilot projects where new sets of regulations proposed can be piloted and tested before they're introduced on a wholesale basis across the province so that the bugs in the system, so to speak, could be worked out ahead of time. It would make the whole process less disruptive.

Another point that we'd like to make concerns the placement coordinators. These individuals would have substantially greater powers than do the existing placement coordination services. The act is notably silent on who these coordinators will be, what kind of training they might have or what kind of qualifications they might have. This in itself isn't bad, but at the same time there are no guidelines given for how these coordinators are to act, what factors they should take into consideration in making their decisions. If these are not set in place ahead of time, then the operation of capricious and arbitrary decisions is invited and greater inequities in the operations of these agencies will develop very quickly.

One would hope that at least the regulations would have some guidance in these matters, but I think in many cases the issues are made easier if the legislation in fact says something to provide guidance. In this regard, I think we would also endorse previous comments that were made that the preferences of the ultimate consumer of the services should have a fairly large effect upon the decisions of the coordinators.

Another issue that isn't addressed is whether the decisions of the coordinators are prescriptive for the nursing homes in the area. In other words, if a coordinator says that a certain individual is to be accepted by the nursing home, does the nursing home have the right to refuse that recommendation? And if they do, is there some process of appeal for all of this? As far as our reading can tell, the act doesn't address these issues.

Of course, coming from the psychological association, the final point I'd like to make concerns the role of psychologists within this whole process. Many of the individuals who are currently resident within institutions and many individuals who are currently residing in the community have a variety of serious mental disorders. These disorders are frequently among the most common reasons for admission to nursing homes and homes for the aged. Psychologists are among the few professionals that have experience in diagnosing and treating these disorders. We

think that the coordinators' decisions about admission to homes should be at least informed decisions. It's our profession that's one of the few that is qualified to provide the detailed kinds of objective tests that are often the best means of determining these types of disorders, so we feel we have a definite role to play in all of this.

At the same time, our profession has developed many treatment methods for many of the disorders that older people have to suffer with, and for the conditions that often most seriously disrupt their relationships with care givers: wandering, insomnia, incontinence and all too frequently the types of aggressive acts that can be the last straw for a care giver. By providing management techniques we feel that, with proper training for the care givers, these problems often can be dealt with in the community.

But, at the same time, we don't see any opportunity for psychologists to provide these services within the terms of long-term care reform. There might be possibilities for this to be done, but with the draft preliminary funding systems that have been discussed to date, we really don't see that there's a strong likelihood of increased psychological services for older and disabled individuals being made available in this act.

Virtually every health care profession outside of medicine and nursing is all lumped together in a single category, that I think most operators of homes would see as the one that's most flexible and most subject to the problem of rating when funds in the other categories run short. With that type of arrangement, I don't think we can realistically predict that there would be the possibility for increased services under the terms of the current act.

I think that point covers most of the points I wish to make, if anyone has any questions.

The Chair: Thank you. There are a number of questions, for those who are here. I know everyone's a little worried about the heat that is going up. The clerk is desperately finding a way to turn it off. All I can say is that until we do, please keep your seatbelts fastened. Mr White.

2050

Mr White: Thank you, Dr Helmes. I want to pick up on a bit of extrapolation from your presentation. There are a number of points I would like to talk about. However, I won't have the time.

What I want to concentrate on is the issue of the informed decision: the informed decision on the part of the placement coordinator, the person who is making a decision which is in the best interests of the client, the family and the institutions, and who has the greatest range of knowledge based on a range of professions, whether that's psychology, social work, medicine or nursing, and the informed decision on the part of the client. We see in the act that clients now have powers, powers to appeal decisions, powers that they need to be informed of decisions and of levels of care, and there's been some question put forth beforehand. What's the point of informing this person, or will informing that person be just a whitewash, because after all, they may not be entirely competent? Their reception of that information may not be an informed acceptance. They may need to have a support person with them, family member, advocate, as Mrs Carter would indicate, whatever.

Aside from specifically writing into the legislation that psychosocial issues, neuropsychological issues etc would be considered, how do you see that informed decision being actualized?

Dr Helmes: Well, I think one important part of that would be if consumers have made known to them what factors influenced the decision. At the moment, the act simply leaves that completely open. Will there be some weighting given to financial factors? What degree of physical impairment might be needed? What kind of mental impairment, if any? Or simply, can you apply if you feel like you want to live in a nursing home? Where are the boundaries to all of this? At the moment, nobody knows and a consumer can't make an informed decision unless he has some knowledge of what the rules of the game are. I think, at this point, nobody really knows.

My understanding of the current placement coordination services is that they have a much easier sort of game. They simply match vacancies in the nursing homes with the number of applicants and, to the best extent possible, they take the consumer's preference into account. But with the increasing limits that are being placed on the operations of the whole system, it's pretty clear that that may not be entirely possible in the future, and if it's not, what are the rules going to be? If you're going to have rules, it's only fair to let everybody know what they are and have them written out so that everything is on the table.

Mr White: Are you suggesting in regulation or in legislation that the informed decision be articulated?

Dr Helmes: Yes.

The Chair: Thank you. Mrs Fawcett.

Mrs Fawcett: Briefly, thank you for your presentation. It's around your fourth point involving the placement coordinators and how you people can become involved in the decisions: I wonder if you could just compare how you become involved now, and can you see a way that this could be ensured in Bill 101, so that your valuable input would be taken?

Dr Helmes: At the moment our involvement in it is not as common as I think we would like, and it's very haphazard because it very much depends upon where somebody lives and in some ways where their physician has privileges, because most psychologists at the moment are employed in hospitals. There are very few working in nursing homes and there are even fewer who concentrate on providing services to older individuals in the community, largely because we aren't funded under OHIP. So individuals in the community who want psychological services have to find a means of paying for them unless they can access them through a hospital, and with the demands within hospitals, there are quite strong limits upon what can be done there.

Mrs Cunningham: We could spend the whole night talking about accessibility for psychologists, but we won't do it this time. We'll do it another time.

It's my understanding, Mr Chairman, that this is the first psychologist whom we've had before the committee. Is that so?

The Chair: I believe that's so.

Mrs Cunningham: I was very interested, because what you've been presenting with regard to the changes in legislation that we've been part of in the last couple of years, all the changes to the Advocacy Act which we looked at, you know, over 100 amendments, and as we take a look at some of the directions that have nothing to do with legislation and everything to do with cutting services—for instance in this city, we've had cuts to our sheltered workshop, which is something that is of great service to our disabled community. I suppose, given the previous presenter—and I'd like you to respond to this, the Grey-Bruce. I think you were here when Catherine made her presentation and talked about the implementation of the legislation being delayed and referred under the district health council's plans for long-term care. What kind of advice would you give the government, given the wealth of opportunities that you have in your field with regard to the services that are here now, understanding what they're trying to do here and, I think, your participation in some of the hearings that were held?

Dr Helmes: I think one part of that is that to some extent I think it's the fault of our profession in that we haven't been making our services that widely available to the public, but at the same time, I don't think there's anybody who's lacking business. You know, whatever demand is there is sufficient at the moment.

But the district health councils, I think, are not always as aware of the services that psychologists can provide as they might otherwise be, and to the extent that we can make our services more known to them, I think it would help.

I'm not sure entirely what the relationship between the ministry and the health councils actually is, because from what I've seen, the health councils are in a very awkward position in that they're charged with planning and coordination but they really have essentially no power to enforce their plans or to direct their coordination.

Just within London, the various attempts of the hospitals to coordinate their services have gone from here to there and traced their steps backwards more often than they have forward. So I think everybody would like the health councils to do more, but until such point as the ministry decides to grant them some additional powers, which would be a very unusual step for the ministry to take, I don't know what actually could be done.

Mrs Cunningham: Well, there's a lot.

The Chair: Excuse me, just a brief supplementary. We really are—

Mrs Cunningham: Okay. I'll just make a statement then, because I think that the great frustration that we're getting, certainly here in London and southwest Ontario, is that this is not reflective of what the public asked for during the hearings. It's not concise enough and there's no backup plan. There's no outline of regulations. Nobody really knows how it's going to work, and therefore they're not quite certain how to advise the government. Maybe they're going to have to take a breath and come forward with some kind of structure that people can relate to.

The Chair: Thank you very much for coming before the committee this evening. We appreciate it.

2100

FAIRVIEW MENNONITE HOME

The Chair: I now call the representatives of the Fairview Mennonite Home. As the representatives are coming forward, if I could just remind members of the committee that we have three presentations left, including the Fairview Mennonite Home, if we could keep our questions short and to the point.

Gentlemen, thank you for waiting. We appreciate your patience. If you'd be good enough, introduce yourselves to the committee and for Hansard and then please proceed with your presentation.

Mr Bob Weber: Thank you. With me is Tim Kennel, the administrator of Fairview Mennonite Home. My name is Bob Weber and I am the volunteer board member and treasurer of Fairview Mennonite Home, a charitable home for the aged.

Fairview Mennonite Home was established in 1943 out of concern by the Mennonite Church to provide care for older persons. That concern was for the members of the Mennonite Church as well as members living in the community. The Mennonite Church continues to support the organization through representation on our board, the auxiliary and through its financial gifts.

Our home is an 84-bed home for the aged. We have two apartment buildings providing 172 housing units. We have 16 cottage units and an elderly persons centre, providing support to several hundred community persons. We are currently caring for 57 extended care seniors and 27 residential care seniors with an average age of 88 years. We have 240 seniors living in our apartments and cottages with an average age of 81 years.

Fairview is a continuum-of-care facility, providing supportive housing in our apartments and cottages through to heavy extended care in our home. We believe in and we support a continuum of care approach, as we have demonstrated that seniors resident in our apartments have remained independent longer by utilizing the supports available through other programs.

Seniors living in our apartments have entered Fairview Mennonite Home with the expectation that care will be provided for them in our home when it is required. In the past we've had many couples live here. As their health has deteriorated, one person of the two would move to the home where their care needs could be met, while their spouse continued to live in the attached apartments where they could have continuous support.

We believe this ongoing relationship is threatened. We're concerned that Bill 101 could prevent persons living in our apartments and cottages from gaining access to the long-term care facilities when required. Access to these facilities will be determined by placement coordination services which are mandated under the act to give priority to the most urgent cases on their waiting list.

We believe that placement coordination services should have information on all homes in their catchment area. They should be a support to seniors and provide a consultative service regarding placement. They should not, however, dictate a placement that is contrary to the choice of the senior. Seniors, because of religious preference or custom, may request a specific facility, and that request needs to be supported.

We believe our organization has a unique understanding of the needs of the supporting church constituency. It is important that these seniors be able to access a facility that addresses their spiritual needs in addition to their care needs. There must be a choice: resident's choice for facility; facility's choice for the resident.

We are owned and operated by a supporting group of 26 Mennonite churches, mostly located in the Waterloo region. As noted earlier, these churches do support through their representation on the board, auxiliary and through their financial gifts.

We're currently in the process of securing architects to design a new home to specifically meet the care needs of our residents. To proceed with our plan we must raise 50% of the cost of the new facility in order to obtain the remaining 50% from government funding. Our current plans are to raise our portion of the funds from church constituents or, in other words, the private sector.

We are concerned that if we cannot assure these people access to Fairview when the need arises, we will not be able to obtain the financial support of the constituents to carry out our mission. We're sure that most of you are aware what this would mean to funding in charitable homes.

The current donations from the private sector are an important part of the overall funding of the homes for the aged, especially Fairview's. If these donations are put in jeopardy by the lack of choice, placement through PCS without consultation or appeal, there would be increased pressure on the provincial government to supply these funds.

We have grave concerns for the quality of life of our residents. We've been advised that long-term care facilities will be expected to provide heavier levels of care to increasingly frail seniors. Our concern is that the expectation to provide care will not be matched by commitment from this government of sufficient funds to provide the care required.

As part of our continuum-of-care philosophy, Fairview operates an elderly persons centre, which serves hundreds of community seniors in addition to persons living in our apartments. Our centre programs are specifically designed to promote independence to assist people in retaining and regaining their maximum physical and mental functioning.

If municipalities and the province withdraw their funding, our centre would not be able to function. We are concerned with what happens to those people who are retaining their independence through the use of the preventive programs in our centre. We are also concerned for families who are managing to care for an elderly loved one because of programs like ours.

We too believe in community-based health care. The elderly persons centre clearly supports seniors living independently in the community.

In summary, we have concerns with our ability to continue providing ongoing supportive care from independent living through the end stages of life if we do not have greater involvement in the admission process. We are concerned that our supporting church constituency will not be given sufficient consideration for placement in Fairview when they require facility-based care. We are concerned that private funding will be jeopardized if choice is removed and access restricted through PCS. We are concerned that funding be adequate to meet the heavier care need expected for persons living in long-term care facilities. Finally, we are concerned that seniors centres may have their funding withdrawn and about the major impact this will have on preventive community-based health care. Thank you.

The Chair: Thank you very much. Just before going to questions, could I perhaps just ask one, briefly. When you refer to cottages, could you just tell me what that means relative to an apartment?

Mr Weber: Tim, I'll let you explain that, please.

Mr Tim Kennel: We have 16 semidetached cottage units which are essentially apartment units, bungalow-style cottage or apartment units with a basement, and provide for independent living as well.

The Chair: I just wanted to be clear. I thought that's what it was but I wanted to be clear. Ms O'Neill.

Mrs O'Neill: I'd like to ask a two-parter, if I may.

The Chair: That's one question.

Mrs O'Neill: Yes. First of all, you seem to have a whole lot of fears built in. They seems to be centred on the role of the placement coordinator and eligibility criteria, if I'm reading them correctly, although you haven't said a lot about either of those things. Could you tell me how you feel the bill could be changed to allay some of those fears, and how the bill makes you feel that you will not be able to continue the preventive programs in your centre?

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Mr Weber: The first part of the question, if we are reading Bill 101 correctly, gives the home absolutely no choice as to whom they admit and gives placement coordination services full authority to commit residents to our home.

It's very hard, as we heard from our last person, to decide need levels, we feel. Being a continuum-of-care facility, we can usually fill our beds—it's not just a matter of filling them—but the people sit on a waiting list in our apartments waiting to get into the home for the aged where care can be taken.

Not to be misled, we are not strictly Mennonite residents. We did do a study, and at the current time the home for the aged is less than 50% Mennonite residents; just slightly under, mind you. The apartments are just slightly over. So we do support the community and our Mennonite residents.

We think the powers of placement coordination, getting back to your question, should be in a consultative role, not a mandatory role. There has to be in consultation with the homes, with our administrators, with our admission staff who understand our facility. We think placement coordination

could be a good information-collection area for residents to get information on what is available.

Mrs O'Neill: Thank you. You're sounding very much like our very first presenter this morning in Windsor.

Mr Jackson: I come from the community of Burlington and we had the unpleasant experience four years ago of a nursing home which was closing and the licence being returned and 160 residents—not to give you the lengthy story, but what I learned in my workings with Ron Sapsford at the Ministry of Health in the nursing homes branch—

Mrs Caplan: You harassed the minister.

Mr Jackson: —and I harassed the minister at the time, and she reminded me of that. However, what I learned was a couple of things, but the thing that struck me is, they had a facility similar to yours. That's the first commonality. Typically, the women were more ambulatory in the residential section and their husbands were in the nursing home section, and that's generally the rule.

We were being told that the ministry would allow overbedding, and we were looking at placements for these spouses in Cambridge, in Brantford, in Oshawa. Beds were found in Bancroft.

This is not a function of this bill. This bill is going to make that process a lot more organized and less a ministry function and more a local placement coordination function. Let's say a nursing home collapses. The bank says, "Look, we're turning the licence back"—you know how the process works—and now we have to dissipate 100 known residents. That's my biggest fear. You've been tested as a facility for facilities that are in difficulty and you've had to take some of the residents etc.

You don't have a negative brief; you have a very cautious brief with a lot of fears being expressed. But is that one of the things that perhaps disturbs you the most, that the charitable homes will be the ones that will be the front lines to take the residents who are leaving, for whatever reason, the regular private nursing homes which are collapsing? You will have no choice. These people come from outside your own region, let alone don't fit your mix, as they say.

Mr Weber: I don't know how you feel, but—

Mr Kennel: I think our concern is mostly with people who currently reside within the geographical community of Cambridge or who reside within our apartment and cottage complexes. As their spouse's health need deteriorates, they will be placed elsewhere in the community and then the continual support that the spouse living in the apartment or cottage can give disappears.

Mr Jackson: I wish I had a supplementary, but I know the Chairman won't allow it. I wish we had more time with you gentlemen. Thank you very much for your brief.

The Chair: Thank you. Mr Wessenger, with his one question.

Mr Wessenger: Thank you very much for your presentation. I certainly am pleased to hear that you have such a continuum of care in your facility. I think that's the ideal situation when you have that continuum of care.

I'd just like to assure you, before I ask my question, that consumer choice is very much an essential part of this whole question of placement coordination. Also, the social context is certainly going to be in the criteria with respect to the question of placement of residents. I certainly agree with you in the particular instance, in the spousal instance, certainly that's an aspect that should have very high priority in determining a placement.

But I'd just like to ask you a question, probably two questions, if I can get away with a supplemental. The first is, do you believe that within the social context, within the framework of consumer choice, priority really should be based on those having the greatest need?

Mr Weber: I'm not sure how one can decide that. My colleague beside me might. I can talk personally, because I had a father with Alzheimer's who was admitted, and I don't think it took a whole lot of people to figure out his need at the time he went in. The family is usually one that quickly decides need. We were very, very pleased there was a place like Fairview that could anticipate our needs and was there within days of when we needed it. That's not always available.

I also have aunts and uncles who have gone through Fairview, some still there—the aunts and uncles are gone—starting in the apartment, the uncles moving over. In fact my dad and my uncle were in the same room, with the wives in the facility, in a comfortable environment that we've created for these people. Being religious, it probably doesn't qualify as being cultural as the definition goes, and we're concerned with that, but it is an environment that people feel comfortable in and we go through our lives. I think it's important at that stage in our life that we're in an environment that we're comfortable with. I think that is extremely important.

So need to go with that? I can't define need; I'm sorry.

Mr Wessenger: Just one quick one: Are you satisfied with the way the placement coordinating agency works now within your area?

Mr Weber: In our area the placement coordination, as I understand, Tim, works excellently, on a consultative basis.

Mr Jackson: But they are not forced to take residents from outside the region, correct? No, that's true.

The Chair: I want to thank you very much for coming to the committee today and providing us with the comments in your brief.

Mr Weber: Thank you for your time.

2120

THAMES VALLEY PLACEMENT COORDINATION SERVICE

The Chair: I now call on the representatives from the Thames Valley Placement Coordination Service. We're just handing out your brief as you take your seat. If you would be good enough to introduce yourself for the committee and for Hansard.

Interjections.

The Chair: Order, please. Please go ahead.

Mrs June Payne: Thank you. I think I'm either the last or the second-to-last presenter and I want to assure you that the brief you're getting is fairly long but I'm going to speak to only four pages of it.

My name is June Payne. I'm the director of the Thames Valley Placement Coordination Service. I really asked to speak to you today because I represent a very large PCS with very strong community input and you might want to ask questions of me. Certainly listening to the presentations that I've heard tonight, there are some very real worries about the PCS functions. I'm also the first president of the PCS association and I'm currently past president of that, so I have an overview, I think, of the PCSs across the province.

The Thames Valley Placement Coordination Service operates in Middlesex, Elgin and Oxford counties, with offices in London, St Thomas and Woodstock. Administered by the Victorian Order of Nurses, Middlesex-Elgin branch, the PCS has a PCS committee made up of 12 sector representatives from the community. These people guide and direct the service.

Although it's centrally administered, the PCS really functions on a day-to-day basis as if it were three separate PCSs. This division of functions occurred over time as the PCS sought to be responsive to the needs of its local areas. The three counties are very different and contain a mix of rural areas, small towns and larger urban centres. We serve a population of more than 500,000 people over a huge geographical land mass.

I thought you'd be interested to know that included in our catchment area are three large acute care teaching hospitals; six community hospitals, all of which have acute and chronic care beds; two public chronic care hospitals, including a Canada-wide veterans' care centre; two private chronic care hospitals; two large regional psychiatric hospitals; the Oxford Regional Centre; more than 60 nursing homes, homes for the aged and residential homes; three home care programs; and many other home and community support services. In fact, we interact on a regular basis with 91 facilities and services.

The PCS committee is very interested in these hearings and is very supportive of the response given by the Association of Placement Coordination Services of Ontario. I know you got that response on Monday in Thunder Bay from Wendy Kirkpatrick and I'm sure you're delighted I'm not going to repeat that information. We also wanted to say, though, that the PCS locally is also fully in support of the major policy goals that were outlined on the first day of hearings by the Honourable Frances Lankin.

Equitable access is a principle with which everyone will agree. It's a lot like motherhood. But it's also a principle that's much harder to implement, especially when the need is great in one's own family. The PCSs base their practice on the principles of dignity and integrity of the individual; reasonable and competent access to information about alternatives in care; informed consumer choice; equitable access to services and facilities for clients and their families within appropriate limits—and what that means is that if someone wants to go to a chronic care hospital but really requires 45 minutes worth of care, then obviously the chronic care hospital is not an appropriate choice—sensitivity to cultural, religious, ethnic and language issues in so far as this is possible; competent, experienced and academically well-prepared staff; and no vested interest in the service outcome.

We believe people doing placement coordination service functions must be fair. But it's also fair to say to you that we found that the key overriding principle that really takes precedence over everything else is that it is not enough to be fair; it must be seen to be fair.

Our PCS believes there are a number of principles that are vital to the implementation of Bill 101. We would like to see a statement of principles addressed, if not in the legislation, then in the regulations which will guide the placement coordination functions. We believe that if one gets the principles and the vision of a service delivery model right, then the rest of the implementation will fall into place relatively easily.

PCSs, as voluntary services, are adept at negotiation within their communities. If we really couldn't negotiate collaboration and cooperation, we couldn't get anything done, because we've never been mandated. We hope there will be room for local models and responses to Bill 101 since we believe there should be local variation to meet local needs.

This PCS supports fully a comprehensive, multiservice, single-access model, but cautions that the placement coordination function should be independent of in-home services functions.

We would also suggest that placement coordinators should not be connected in any way with a particular facility, and we would suggest that priority for placement, when it's outlined in the regulations, should have some flexibility in practice. We would caution against always giving priority to those in hospitals since those may very well penalize people waiting in the community.

We ask that flexibility be built into the regulations to enable facilities to have a voice in their acceptance of clients. We think it's eminently reasonable that access to all facilities, including chronic care—we would also like to include the retirement home sector—be through the placement coordinators, but we also think there must be some negotiation room to enable facilities to serve particular clientele according to their mandates. In other words, common sense and cooperation should prevail.

We believe that an appeal mechanism is appropriate. We ask that it be fair, humane and speedy. If there are competent people in the multiservice agency and adequate resources, then appeals should be relatively few.

If any of you have ever gone through the placement process with relatives of your own, you will know that it is probably one of the hardest things that happens in a person's life, to come to the point where they are sufficiently dependent that they can no longer live alone.

I'm grateful for the opportunity to speak to you. For your interest, there are two documents appended to this paper. One is a list of the Thames Valley PCS committee members, so that you can see the range of people who make policy for the service in this area. The second is the

February 1992 response to the Redirection of Long-Term Care and Support Services in Ontario document, which really outlines our philosophical stance.

The Chair: Thank you very much for your presentation and the attachments. Those will be very valuable. As you noted, Mrs Kirkpatrick did speak to us in Thunder Bay and I think we were all struck not only by her own presentation but by the comments of everyone in that area in terms of how well they felt the system worked there. So we were interested to see that you were going to be with us tonight. We'll move right to questions with Mr Wilson.

Mr Jim Wilson: I really liked your presentation. I think it's to the point and, yes, we've had a lot of evidence before the committee indicating that placement coordination services, where they exist, are working well. One of the reasons they're working well, I gather, is because they have flexibility, and you emphasized that in your brief this evening.

Having read the draft policy manual that accompanies this legislation, it appeared to me in reading the eligibility criteria that there isn't any flexibility there. It's primarily need, and in layman's terms, I would say it's medical need that is driving the placement. You mentioned that perhaps there should be a set of principles. Would you like to see an addendum in that policy manual that's a set of principles in which, in light of the principles, these bullet points should be interpreted?

Mrs Payne: Yes.

Mr Jim Wilson: Have you had discussions with the ministry along those lines to try to put some flexibility into the manual?

Mrs Payne: We meet roughly every two months with the in-home services branch of the ministry and we meet with a number of the people who are setting policy. We have consistently, throughout our history, really been very strong on principles because, again, we think if you get the principles correct, the rest of it will follow.

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Mr Jim Wilson: If I could just finish that, because another thing that concerns me—and it comes from my own experience in my area of the province, because we have some exceptionally good homes; I'm sure every area does—there is a bit of social placement going on, where people want to live in the home and may not meet the medical criteria outlined in the manual—may not meet the need that's required. Have you got any comments on that?

Mrs Payne: I think essentially what we're dealing with here is equitable access to scarce resources that are government-funded. At that point, the government is saying there should be some criteria for entering publicly funded and there should be criteria based on need of the person. We certainly think there should be flexibility to allow for couples who have been married 50 or 65 years to live in the same facility, because they often have to apply for involuntary separation. There should be some flexibility like that. But by and large, in a publicly funded facility, when resources are very scarce and getting scarcer, I think people should really require the services that facility offers.

There is a very wide range of facilities available at the residential level. The criterion outlined in the residential care association is up to 45 minutes of care a day. Those facilities will often put in associated nursing services at a cost. None of that comes out of the public sector, though. We feel there will be provision for some type of care for those who can afford to use that level at the residential one. The majority cannot afford to do that and we think they should not then be penalized in the way they can access the publicly funded services or partially publicly funded services, such as homes for the aged and nursing homes.

Mr Hope: It's always nice to get the PCSs up here, because we hear a lot of bad stuff about you. A lot of people are fearful.

Mrs Payne: They certainly are.

Mr Hope: I was listening to the questioning and some of your comments about the involuntary separation. That shouldn't even be a part of our vocabulary, because it's very hard for people of that age to even consider the separation. The word "separation" sticks out more to most seniors than anything.

When I was going through your presentation, I wanted to ask you a question. I've been hearing it through the presentations. With these powers bestowed upon you to a community—and I notice you represent a large rural area also—do you see yourself as an individual taking away the human element of things and placing people? I'm getting this fatal picture of a placement coordinator who is not going to have any understanding of facilities and understanding of clients and it just seems like you're just going to start planting people all over. I just wanted to ask you that question.

Mrs Payne: There's certainly a huge fear and it's particularly prevalent around the Toronto area, which has never had a placement coordination service. My hope would be that the PCSs would be both sufficiently valued and sufficiently funded, that they could attract the very best front-line people. The way they'll operate will depend on how good the coordinators are and, secondly, how good the administration is.

Mr Hope: The other part I have is dealing—you wanted separation from the in-home services. How would you link those two? You also made reference to retirement homes. Do you believe there ought to be a legislative body around to regulate that industry?

Mrs Payne: Yes. I believe there should be more regulation than there is. I know from the Ernie Lightman report that this is not a view he shares, that all applications should go through the PCSs. We think people, when they enter the long-term care system, minimally should come to the PCS for information about how the system works. The way it works now is such that the more care that is required, the less it costs. We think it's terribly important for people to be informed about cost, about choice, about alternatives.

It's also terribly important not to solve a problem too quickly, because almost everyone who comes to us—and we see about 2,400 families a year—thinks they're in crisis and they need placement tomorrow. If you can help them

sort that out and reframe their fear and their distress, you can very often be looking at a very different solution within a week.

The Chair: Thank you. Ms Caplan?

Mr Hope: I didn't get an answer to the in-home one.

Mrs Caplan: We've been hearing on this committee nothing but praise for existing placement coordination services. It's sort of been framed in this way. The presenters who came forward in Thunder Bay and then again in Windsor and here and in other communities have said, "We may be unique but our placement coordination service works really well, and if that could just stay under this new legislation we would be quite satisfied." So the fear that we're hearing, as I think you've rightly said in your response to Mr Hope, is not for what's working well today in communities; it's the fear that this legislation is going to change those things.

The other thing we've heard has been concern about the flexibility and that this legislation is very intrusive and very prescriptive, and that one of the fears is that this formula will lead to negative change in the community.

I wanted to make sure that was clear and on the record because we've heard only praise in the places where we've been so far about the existing placement coordination services, and I wanted to share that with you.

I would have more comfort, and I think it is possible to do it—on page 3 of your brief you've outlined, I think, principles that could give comfort as well as clarity to the legislation, and it is very appropriate for statements of principle to be enshrined in legislation. I would ask you whether it would give you comfort, rather than putting a statement of these principles in the regulation or in the policy manual, if you think it might be helpful if a section of the legislation that related to admission criteria, or in framing regulation, that the following principles would guide the policy development?

Mrs Payne: I think it would be very helpful to do that. I really do. One of the reasons I gave you the paper that was the response to the Redirection is that we've divided that into the seven principles of social justice, goals, choices, process, funding, planning and stewardship, and we think that this particular paper has been used as a model by one of the local hospitals for its response. We think you can't go wrong if you follow those principles.

Mrs Caplan: Thank you very much. I want to congratulate you on an excellent presentation. I think you've come up with some very good ideas of how the legislation can be improved to eliminate the fear and to add the flexibility, and I like the commonsense approach that you've taken to it.

One other point, if there is a minute, Mr Chairman—

The Chair: Thirty seconds.

Mrs Caplan: —and that is the concern that facilities have. One of the amendments that I hope the government will consider, and we're planning to put forward if they don't, would allow the facilities to deny admission on the basis that they did not believe the care was appropriate for that client, and then you would have an appeal mechanism, or the same appeal could take place for them again to give that kind of comfort. Would you support that kind of an amendment that would encourage choice?

Mrs Payne: We would certainly hope that the facility would not be in a position of having to refuse. We negotiate every day to get people into care, but it depends on their client mix, how many people are off on workers' compensation because they've been assaulted, how many heavy care people we've given them in the last month, and they say to us, "We need to take someone who's lighter care." There is some give and take that is realistic. We would not expect them to consistently refuse people who appropriately met the level of care they provided, and we think that's reasonable, but oh my goodness, yes.

I understand it has been expressed in the Toronto area that they're just scared silly that you're going to have, say, a whole group of Mandarin-speaking Chinese people in the Jewish home for the aged. Well, that wouldn't happen. We would certainly work very hard at trying to find the appropriate facility, and we often do nudge facilities to take somebody who is heavy or unlovable or has a difficult family.

The Chair: Everybody on this committee is very lovable.

Mr Hope: I got a place to go, but I'll be lucky if I make it past 60.

The Chair: We won't get into debating how lovable or unlovable any honourable member is. I do want to thank you very much for coming forward. One of the questions that occurred to me was in terms of how many PCSs there were in the province. I understand from ministry staff there are about 23 and they cover approximately half the province. It might be useful for committee members if I could ask, through the parliamentary assistant, if we could have a list of those PCSs—indeed, maybe we have them and I just haven't seen them—and what areas they cover, because I think it is significant that both here and in Thunder Bay, in those two instances in particular—

Mr O'Connor: Windsor too.

Mr Hope: And Chatham.

The Chair: —and Windsor as well—I wasn't there this morning—in the meetings in Windsor that we've heard a lot about how the existing PCSs work. I think it would be helpful for us to look at that and to look at the kind of criteria you set out as we go about our business. Thank you very much for coming this evening.

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ROYAL CANADIAN LEGION

The Chair: I would now like to call on the representative from the Royal Canadian Legion and to thank him very much for having a great deal of patience, through to the final presentation, to be with us. We appreciate your coming. I don't know if you are aware, but colleagues of yours were with us in Toronto a couple of weeks ago as well. We always welcome a presentation by the Legion, and if you would be good to introduce yourself to the committee for Hansard and then please proceed.

Mr Ed Neil: Thank you, Mr Chairman. My name is Ed Neil and I'm a provincial service officer with the provincial

command of the Royal Canadian Legion. There has been a presentation made already, and I think what I have here is pretty well a reiteration of that. But I would like to say a few things and possibly outline or highlight what's in here.

Something they didn't say and that I think they made you well aware of is what the Royal Canadian Legion does both in the country and in the province. The reason I end up being here is that we have five offices in the province. They're called provincial service bureau offices, and our job is to look after veterans' welfare. So I am indeed concerned with veterans' welfare, and this bill certainly is along that line.

Just to express the concerns regarding long-term care, a guarantee on priority access beds for veterans: Bill 101 does not include any guarantees with respect to priority-access beds. We have been advised by Ministry of Health officials that the long-term care reform will not violate the right of veterans to the priority-access beds provided for in the transfer agreements for Sunnybrook, Westminster and Rideau Veterans Home. This alleviates some of our concerns, but we are requesting that this guarantee be included in the text of Bill 101.

I believe the main thing that the Legion is concerned with is that veterans be included in Bill 101. They talk about closed beds at Sunnybrook, and the coordinated placement service organization remains concerned that the right of veterans to be recognized and receive all levels of care authorized by the veterans care regulation might be jeopardized by Bill 101. The veterans health care regulations provide for residential and nursing home care, and partial funding of this care is provided under the veterans independence programs, Veterans Affairs Canada, for certain eligible veterans. We want to ensure that the admission policy will continue to provide for social admissions and necessary adult residential care for veterans.

The last thing I want to point out is budget restraints. The Legion is concerned that additional budget restraint may result in further erosion to veterans' care in Ontario. We would like to establish a commitment by this government to ensure that this special group will be protected from future restraint measures. A Sunnybrook K wing situation cannot happen again.

Finally, as I said, the main concern is that veterans be mentioned in the bill.

Lastly, I have one suggestion, and this is strictly sort of an ad hoc suggestion. It refers to the bill itself. It is respectfully recommended that to the first paragraph immediately following explanatory note number 18, line 4, you add these words, "After 16 years old and those war veterans and ex-service personnel in receipt of health care benefits in Ontario from Veterans Affairs Canada."

That pretty well concludes what I had to say tonight. As I mentioned, I knew that you had heard from our people prior to this evening and I didn't want to take up a lot of your time, but I do thank you very much for listening.

The Chair: Thank you. We certainly will note that you have reiterated the presentation that was made in Toronto and that those views obviously also express points of view you would have raised. We appreciate the further comments, and particularly the specific ad hoc recommendation. It's always nice to have an ad hoc recommendation at the end of the day.

We'll begin our questioning with Mr Jackson.

Mr Jim Wilson: Mr Wilson.

The Chair: I'm sorry; Mr Wilson.

Mr Jackson: Even though I'm a member of Branch 60, I'll yield to my colleague.

Mr Jim Wilson: Now, are you sure you got that on the record, Cam?

I'll just let you know that on behalf of my party, the Ontario PC Party, after the presentation we had about the concerns expressed by the Royal Canadian Legion, I wrote to Legion Command indicating our willingness to introduce amendments to ensure priority access and to help along the lines of social admissions. You'll note this evening that I've been asking a lot of questions about social admissions, and I know it's important to veterans. We will do the best we can. If the government doesn't move on its own accord, we will certainly be prepared to introduce amendments in legislation to ensure that veterans are recognized.

Chair, I don't really have a question, but you might find this answer to my inquiry interesting. Correct me, members, if I'm wrong, but I think at the time we did ask for the government to give us an assurance or an explanation that any agreements that may be in existence with Veterans Affairs Canada are not in any way undermined or negated as a result of the introduction of this legislation. To date, I haven't got a response back concerning that.

Mr Wessenger: I will ask staff actually to indicate the situation in that regard.

Mr Quirt: I just wanted to clear up that the priority access arrangements at Sunnybrook Hospital in Toronto and the Westminster facility here in London are priority access arrangements for chronic care services, and neither of those facilities will be regulated by Bill 101. Clearly, what I understand to be the issue of closure of some priority access beds at Sunnybrook is still an issue for the Ministry of Health to be concerned with, but it's not an issue directly affected by this particular piece of legislation. The Rideau Veterans Home in Ottawa currently is funded by the federal government, and so the Rideau Veterans Home is not subject to the provisions of Bill 101 either.

It is possible, however, that if the Perley redevelopment continues as planned now, the long-term care facility that results in several years' time when that building is completed, a couple of years' time we suspect, that the priority access issue will apply with the new Perley long-term care facility, which would either be subject to Bill 101 or subject to what we hope will be a more comprehensive piece of legislation to follow. The transfer agreement between the province, the federal government and the Perley Hospital contains reference to continued priority access to a designated number of beds in that facility on behalf of the veterans.

Mr Jim Wilson: Just two short comments to Mr Quirt. You can understand the Legion's concerns, though, because we're dealing really with an area where we don't have a lot of information because we don't know the future

of chronic care beds in the province. We don't have the chronic care role study.

Mrs Caplan: And long-term care.

Mr Jim Wilson: And we don't know the whole picture on long-term care, as Mrs Caplan is correct in pointing out. So there is a worry there. Secondly, on the local scene, what about the future of Westminster's chronic care beds and its veterans facility?

Mr Quirt: I am not familiar with any plans to reduce the number of chronic care beds in Westminster hospital or to diminish the supply of the beds that are affected by the priority access arrangement for veterans. There may well be, and I'm not familiar with them, but I would be happy to check to see if the Ministry of Health is aware of any discussion in that regard and provide an answer to the committee specifically. It would be very difficult for me to speculate on the future of individual chronic care hospitals down the road and the decisions that their boards of directors might make, and clearly the facilities to which veterans have priority access now are not affected, as I mentioned earlier, by Bill 101 because they're neither a home for the aged nor a nursing home.

Mrs Fawcett: I think that information is well taken and should be of some comfort, but I can assure you we are all aware of the tremendous work that the Legion does and continues to do. Some of the statistics and figures that were presented to us in Toronto as to all of the good works that are being done across the province should not remain unnoticed at all. We will continue to make sure that all of the concerns you have will continually be put in front of the government for it to include in the bill if and when it ever does particularly affect what you build in the future.

The Chair: Thank you very much for coming before the committee. We appreciate it.

Mr O'Connor: On a point of order, Mr Chair: I just thought it might be in order to bring greetings from Branch 141 while we're here.

Interjections.

The Chair: Anyone else have any more greetings? Actually the Chair welcomes that because it ends our evening's proceedings on such a note of harmony. There were moments earlier when I wasn't so sure of that. Mr Neil, thank you very much for coming.

Committee members, before we adjourn, just a note: I think we begin here at 9 o'clock tomorrow morning. I should tell you that the 6 o'clock and 6:15 presentations listed tomorrow have both been changed. The 6 pm tomorrow came tonight and the 6:15 has withdrawn, so our last presentation will be at 5:30. I think if we all work with dispatch tomorrow, we should be able to have a harmonious and effective day.

With that, the committee stands adjourned until 9 o'clock tomorrow morning in this place.

The committee adjourned at 2153.

Substitutions present / Membres remplaçants présents:
Caplan, Elinor (Oriole L) for Mr Daigeler
Carter, Jenny (Peterborough ND) for Mrs Mathyssen
Hope, Randy R. (Chatham-Kent ND) for Mr Drainville
Jackson, Cameron (Burlington South/-Sud PC) for Mrs Witmer
Jamison, Norm (Norfolk ND) for Mr Gary Wilson
Lessard, Wayne (Windsor-Walkerville ND) for Mr Gary Wilson
O'Connor, Larry (Durham-York ND) for Mr Owens
Wessenger, Paul (Simcoe Centre ND) for Mr Martin

Also taking part / Autres participants et participantes:
Cunningham, Dianne (London North/-Nord PC)
Quirt, Geoffrey, acting executive director, joint long term care division, Ministry of Health and Ministry of Community and Social Services
Wessenger, Paul, parliamentary assistant to the Minister of Health

Clerk / Greffier: Arnott, Douglas

Staff / Personnel: Drummond, Alison, research officer, Legislative Research Service

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Tim Kennel, administrator
Thames Valley Placement Coordination Service S-1003
June Payne, director
Royal Canadian Legion S-1006
Ed Neil, provincial service officer

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